



CAERPHILLY HOMES TASK GROUP (WELSH HOUSING QUALITY STANDARD)

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH
(SIRHOWY ROOM) ON THURSDAY, 2ND NOVEMBER 2017 AT 5.30 P.M.**

PRESENT:

C. Davies - Chair
D. Price – Vice Chair

Task Group Members:

Mrs Y. Bryant, M. Davies, A. Hussey, Mrs S. Jones, Mrs D. Moore, Mrs R. Thompson and Mrs L. Phipps.

Officers:

C. Couzens (Chief Housing Officer), D. Morris (Principal Procurement Officer) and C. Evans (Committee Services Officer)

1. APOLOGIES

Apologies for absence were received from Ms M. James, L. Harding, Ms L. Pewtner, and L. G. Whittle.

2. DECLARATIONS OF INTEREST

Tenant Representatives C. Davies, Mrs S. Jones, Mrs D. Moore and Mrs R. Thompson declared a personal but not prejudicial interest in all agenda items as Council Tenants.

3. MINUTES – 5TH OCTOBER 2017

RESOLVED that the minutes of the meeting held on 5th October 2017 be approved as a correct record and signed by the Chair.

4. DYNAMIC PURCHASING SYSTEM FOR THE PROVISION OF GENERAL BUILDERS

The report provided the Task Group with an update in relation to the Council's Dynamic Purchasing System (DPS) for the Provision of General Builders.

The Council established the DPS for the Provision of General Builders in March 2017 in accordance with the EU Procurement Directives 2014, UK Public Contract Regulations 2015 and the Council's Standing Orders for Contracts ('SOFC'). The Council also sought external legal advice and guidance from Blake Morgan LLP during the pre-planning phase of the process.

The purpose of the DPS is to facilitate the Council's general building requirements by running mini competitions with those Contractors established on the DPS. This will allow the Council to identify Contractors to undertake packages of external works to the Council's housing stock in accordance with the Welsh Housing Quality Standard ('WHQS') Programme. Contractors will be required to provide a range of external works linked in general building disciplines. The specific works that maybe procured under the DPS for these external works will be available via the mini competitions and associated documentation.

It was anticipated that the DPS will predominately be used in the Lower Rhymney Valley, however it is also important to note that the Council has reserved the right to utilise the DPS for any internal and external general building requirements covering any Housing, Public Buildings and Learning and Educational establishments located within the County Borough. The decision to establish the DPS will assist the Council in proactively managing any potential capacity issues, which have previously been identified within the WHQS programme when utilising traditional frameworks and other arrangements. The Council published within the associated procurement documentation that Contractors should note that admission onto the DPS is not a guarantee of any award of contracts and there is also no guarantee of volume or value of contracts to be let via the DPS.

The establishment of the DPS also allowed the Council the opportunity to trial the use of a 'passport to trade' process with Contractors. The purpose of the 'passport' process is to streamline and alleviate the need for Contractors frequently submitting repeat qualifying information such as but not limited to Health and Safety and Insurance documentation whilst tendering for various opportunities for works of a similar nature.

A Task Group Member sought further information on the application process for the DPS system, and whether applications are to be submitted entirely electronically. Officers explained that the system is designed to be an online platform; therefore applications are required to be made electronically. However, the Supplier Relationship Officers are available to provide support to contractors, should they require it. In addition, it was noted that work packages are submitted to the platform, in which each of the Contractors are able to apply for the package.

The Caerphilly Homes Task Group thanked the Officer for the detailed report and noted its content.

5. WALES AUDIT OFFICE REVIEW OF THE WHQS DELIVERY PROGRAMME

Having been considered by Cabinet on 1st November 2017, the Caerphilly Homes Task Group requested that the report be presented in full to the Task Group, for information.

The report presented the Task Group with recommendations resulting from the Wales Audit Office (WAO) review of the Welsh Housing Quality Standard (WHQS) delivery programme together with officers' comments, following approval by Cabinet.

It was noted that during March and April 2017, as part of the WAO performance audit plan, the WAO undertook a review of the Council's arrangements to deliver the WHQS by 2020.

At the time of the review, the WAO concluded that the "majority of tenants homes remain below the WHQ Standard due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the standard by 2020".

Whilst Officers accept the recommendations within the WAO report, they do not agree with the overall conclusions made, as it does not reflect the current position of the programme and evidence to justify this view is provided throughout the report and specifically addressed within the Conclusion section.

The Task Group thanked the Officer for the report and discussion ensued.

A Task Group Member raised concerns around the stock condition survey, as the WAO report referred to Savill's. Officers assured the Task Group that, whilst the programme was originally based on the stock condition survey and estimated component costs provided by Savill's Consultants, an exercise has been undertaken to establish the full scope of investment needed to meet WHQS by 2020, based on accurate costs. Further reassurances were provided that the programme remains financially viable and that a more detailed overarching programme has been developed, within the existing timescales.

Discussions took place around the Procurement Strategy, which WAO raised within the report and it was noted that this was developed to meet Welsh Government's improvements and efficiency targets. Internal works contracts are predicated on a fixed contract basis using the JCT form of contract and national schedule of rates (reviewed annually) and external works have been developed via various procurement routes in accordance with legislation and in order to manage the supply base, ensure capacity and encourage and grow local contractors. This is managed through a series of arrangements which included the use of the small lots exemption, frameworks and more recently a Dynamic Purchasing System (DPS).

The Task Group discussed the recommendation referring to the requirement to provide clear and transparent information to members and tenants about the current position of the programme and felt that further improvements could be made in this area. Officers outlined that they have also considered this recommendation and accept that the manner in which information is presented can be improved. As part of the exercise, Officers have reviewed information contained within the programme and have already made amendments to ensure it is clear, accurate and meaningful for all stakeholders.

The report raised concerns around programme management, governance and accountability. Officers explained that these responsibilities are defined through the WHQS Board, the Caerphilly Homes Task Group, the Repairs and Improvement Group, Corporate Management Team, Policy and Resources Scrutiny Committee and Cabinet. Officers assured the Task Group that the terms of reference of each of these groups will be reviewed to ensure that the respective groups are clear of their remit and purpose as well as ensuring that any urgent decision making required can be taken at the appropriate level.

Reference was also made to the recommendation in which the council should ensure it has sufficient project management capacity to deliver the Council's WHQS programme effectively by 2020. The Task Group noted that, in order to assist with the project management of such a major investment programme, the use of resources is being maximised through improved integration within Caerphilly Homes following changes in the management structure last year and by also utilising the services of other departments within the Council, including Building Consultancy, Grounds Maintenance, Highways Operations Group and Network Contracting Services.

The Task Group discussed the Community Benefits, which was not reflected within the report. It was noted that a decision was taken at the onset of the programme to ensure that all housing communities benefit from the WHQS works at an earlier stage in the programme rather than focussing on completing all WHQS works in one community at a time. As such the information contained in the report is misleading and the comparable performance data with other authorities, although factual in relation to the number of properties completed, is not an accurate picture of the work completed to date, as both internal and external works have been undertaken across the borough. It was added that, to date, 85% of properties across the county borough have received either internal or external works.

The report outlined view expressed by tenants and tenant satisfaction and discussion ensued around concerns raised to tenant representatives and Councillors, during the works. However, the Task Group were asked to note that given the time constraints, interviews had only been undertaken with 6 tenants that sit on the Caerphilly Homes Task Group, where

concerns were expressed about the quality of work undertaken. It was felt that, at the meeting of Cabinet, this was not a fair representation of the number of tenants throughout the borough, and further research should have been undertaken. Tenant satisfaction surveys are conducted following the completion of works, in which 89% of tenants were very satisfied or satisfied, 5% neither satisfied nor dissatisfied and 6% dissatisfied or very dissatisfied. Therefore, it was noted that the data within WAO report could not be seen as reflecting all views.

The WAO report outlined that because of the fragmented nature of documents setting out the reprofiling programme of works, it did not believe they provide a strategic, comprehensive and integrated approach setting out clearly to tenants, councillors, officers and other stakeholders how it will meet the WHQS by 2020. Officers assured the Task Group that the information contained within reports has also been reviewed to ensure they are presented in a clear and transparent way and contain all relevant details so that the current position of the overall programme is easily communicated to all stakeholders.

The Task Group, in noting the comments on the Tenant Liaison Officers (TLO's), raised concerns over the current workload of staff and noted that some TLO's are undertaking additional roles, which should be undertaken by other staff members, such as Clerk of Works. Officers were concerned by this information, and assured the Task Group that this should not be case, staff are clear on their remit within their role and workloads are monitored, and case loads assigned, in order to ensure fairness. During the discussion, Councillor Phipps, Cabinet Member for Homes and Places, requested that she spend a day with a TLO, in order to have a better understanding of their role.

It was concluded that the WAO recommendations have been accepted and it was agreed that further improvements to the programme were needed. A number of the identified improvements are being delivered in accordance with the action plan as appended to the report and progress would be monitored on a monthly basis by the Caerphilly Homes Project Board. It was accepted that the recommendations were following the review during March/April 2017, however, at that point in time significant changes were already underway. As such, Officers do not agree with the overall conclusion drawn, as it is felt that this statement does not offer a fair assessment of the position of the programme. In addition, it was accepted that completion of the programme by 2020 will be challenging, based on the current position of the programme, it was noted that 75% of the internal works and 40% of the external works are set to be completed by March 2018. In addition, by March 2019 it is projected that 94% of internal works and 80% of external works are set to be completed. In relation to internal works, assurances were offered that, should there be further slippage in the programme, there will be sufficient capacity at the end of the programme to accommodate this. Officers consider that the measures put in place have resulted in a significantly increased and focused rate of completions and are confident that the programme will be completed by 2020.

The Caerphilly Homes Task Group thanked the Officer for the report and noted its content.

6. TO RECEIVE ANY REQUESTS FOR AN ITEM TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA

The Task Group requested that the following reports be presented to the next meeting:

1. Acceptable Fails
2. Community Fund
3. Partial/ Full works Completed
4. Training on the Well Being and Future Generations Act.

Officers explained that a number of the reports have been scheduled on the Forward Work Programme for the next meeting.

Finally, the Task Group were asked to consider the times of future meetings, and whether Members would prefer future meetings to begin at 5pm. Following discussion, it was agreed that an email be circulated to the full Membership.

The meeting closed at 7:03 p.m.

Approved as a correct record subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 14th December 2017.

CHAIR