



POLICY AND RESOURCES SCRUTINY COMMITTEE

**MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON
TUESDAY, 14TH NOVEMBER 2017 AT 5.30 P.M.**

PRESENT:

Councillor J. Pritchard - Chair
Councillor Mrs D. Price - Vice Chair

Councillors:

M. Adams, K. Etheridge, Mrs C. Forehead, L. Harding, G. Kirby, C.P. Mann, J. Ridgewell,
Mrs M.E. Sargent, J. Taylor, L.G. Whittle

Cabinet Members:

C. Gordon (Corporate Services), Mrs B. Jones (Finance, Performance and Governance),
Mrs L. Phipps (Homes and Places)

Together with:

C. HARRY (Corporate Director - Communities), L. Donovan (Acting Head of Human Resources
and Organisational Development), S. Couzens (Chief Housing Officer), P. Lewis (Acting Head
of IT), M. Williams (Interim Head of Property Services), L. Lane (Corporate Solicitor),
E. Sullivan (Scrutiny Officer), R. Barrett (Committee Services Officer)

Together with:

Ms N. Jenkins (Wales Audit Office), Mr R. Price (Wales Audit Office), Mr C. Davies (Chair -
Caerphilly Homes Task Group), Mrs S. Jones (Tenant Representative)

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mrs E.M. Aldworth, K. Dawson, Miss E. Forehead
and R. Saralis, together with N. Scammell (Acting Director of Corporate Services and Section
151 Officer).

2. DECLARATIONS OF INTEREST

Councillor Mrs B. Jones declared an interest in Agenda Item 8 (WAO Review of the WHQS
Delivery Programme) and Councillor K. Etheridge declared an interest in Agenda Item 9
(Sickness Absence within the Council). Details are minuted with the respective item.

3. MINUTES – 3RD OCTOBER 2017

RESOLVED that the minutes of the Policy and Resources Scrutiny Committee held on 3rd October 2017 (minute nos. 1 - 9) be approved as a correct record and signed by the Chair.

4. CALL-IN PROCEDURE

There had been no matters referred to the Scrutiny Committee in accordance with the call-in procedure.

5. REPORT OF THE CABINET MEMBERS

The Scrutiny Committee received verbal reports from Councillors Mrs L. Phipps, C. Gordon and Mrs B. Jones. Questions and comments were invited on the report contents.

Councillor Mrs L. Phipps (Cabinet Member for Homes and Places) updated Members on developments across Property Services, including the forthcoming completion of the new Abertysswg and Pontllytyn Primary School, classroom extension works at Newbridge School, the demolition of Pontllanfraith House Council Offices, and the tender process for the demolition of the former Pontllanfraith and Oakdale Comprehensive School buildings.

The Cabinet Member also referred to the report due to be presented that evening in relation to the WAO review of the WHQS programme, and asked Members to note the added benefits that the scheme has delivered as part of the Council's aim to transform homes, lives and communities. These include benefits to local businesses and suppliers arising from significant work packages being undertaken by local contractors, training and job opportunities, additional funding to deliver energy efficiency measures, environmental improvements, and adaptations to tenant homes to increase their independence and meet their needs.

Reference was made to the apprenticeships and job opportunities created as a result of the WHQS programme and a Member queried whether redundancy costs would be incurred against these posts following completion of the programme in 2020. It was confirmed that these posts are fixed term contracts and hence there would be no redundancy costs associated with the programme end for these posts. A query was received regarding the intended demolition dates for the former Pontllanfraith and Oakdale Comprehensive Schools. The Cabinet Member explained that the demolition of the Pontllanfraith site is on hold pending the outcome of the Pontllanfraith Leisure Centre consultation exercise, and that she would advise the Member of the Oakdale demolition date following the meeting. A Member also queried whether the energy efficiency measures arising from the WHQS programme include the installation of solar panels, and the Cabinet Member confirmed that she would make enquiries on this and advise the Member in due course.

Councillor C. Gordon (Cabinet Member for Corporate Services) advised Members of the work being carried out by the Communications Team. These include budget consultation activities on the draft savings proposals, comprising a meeting of the Viewpoint Panel, public drop in sessions across the county borough, discussions with key stakeholder groups and a survey to be made available online and via the December edition of Newsline. The Council recently welcomed a delegation from their counterparts in Ludwigsburg to discuss the Council's e-Government agenda and how they are embracing digital services. The Communications Team also oversaw the successful launch of the annual Operation Santa appeal, which will see thousands of gifts distributed to over 600 children across the county borough in the coming weeks.

Members were also informed that a new set of standards have recently been agreed for Customer Services, which will set out how services across the Authority will deal with customers. The new standards will be launched on 4th December 2017 and a copy of the standards were tabled at the meeting for Members' information.

The Cabinet Member also provided an update in respect of the potential IT collaboration that is currently under consideration (the Shared Resource Service). It was explained that the trade unions would be updated on developments in the coming weeks and then emails would be sent to relevant staff on the matter. A consultation meeting with staff was recently held which received a number of questions on the potential collaboration, and it is intended for this item to be brought to the Scrutiny Committee for consideration in early 2018.

Discussion took place regarding the potential IT collaboration and the Cabinet Member confirmed that staff and trade unions will continue to be kept updated on developments ahead of the matter being considered by the Scrutiny Committee. In response to Members' queries, it was confirmed that it is anticipated for all relevant staff to be accommodated by the Shared Resource Service if the collaboration were to proceed. Members also discussed the survey for the draft savings proposals and it was confirmed that the Council are utilising a number of avenues to improve completion rates, including promotion via their social media pages.

Councillor Mrs B. Jones (Cabinet Member for Finance, Performance and Governance) presented her report and updated Members on key developments across Corporate Finance. She explained that draft budget proposals for 2018/19 were due to be presented to Cabinet the following day, and would then be followed by a period of consultation prior to final proposals being presented to Cabinet and Council in February 2018. The draft budget proposals include savings totalling £7.2m along with a proposed increase in Council Tax of 4.52%. A cash flat position is assumed for schools, which means that the funding delegated to schools will remain at 2017/18 levels.

Discussion took place regarding the proposed Council Tax increase of 4.52% and the Cabinet Member explained that this figure had been proposed in order to minimise savings having to be found from elsewhere (thereby reducing the potential impact on front-line services). It was confirmed that this figure could be subject to change following the period of consultation.

The Cabinet Members were thanked for their reports.

6. POLICY AND RESOURCES SCRUTINY COMMITTEE FORWARD WORK PROGRAMME

Emma Sullivan (Scrutiny Officer) presented the report, which outlined details of the Policy and Resources Scrutiny Committee Forward Work Programme (FWP).

Members were advised that the FWP included all reports agreed at the meeting held on 3rd October 2017 and outlined the reports planned for the period November 2017 to July 2018. Members were asked to consider the FWP alongside the Cabinet Work Programme as appended to the report and to suggest any changes.

Members discussed the items listed on the Forward Work Programme and it was agreed that a report on Affordable Homes in New Developments be scheduled for 10th April 2018. Suggestions were made by Members regarding the potential remit and breadth of this report and Officers confirmed that these would be incorporated into the report contents.

It was agreed that subject to the foregoing addition, the Policy and Resources Scrutiny Committee Forward Work Programme be published on the Council's website.

7. CABINET REPORTS

Following a request from a Member of the Scrutiny Committee, the following report had been brought forward for discussion at the meeting. None of the other Cabinet reports had been brought forward.

Wales Audit Office (WAO) Local Risk Based Reviews: Asset Management and Information Management and Technology – Caerphilly County Borough Council.

A copy of the Cabinet report and decision notice was tabled for Members' information and discussion took place on a number of the WAO findings detailed in the report. In response to a query from the Member on the use of the Council's new Corporate Asset Management Strategy, Officers explained that work has commenced on an overarching strategic approach across service areas, and that it is anticipated that a draft strategy will be developed in Spring 2018.

The Member also queried the likely date for a detailed review of the effectiveness of the Council's Business Improvement Board (as identified by the WAO) to be carried out. Ms Non Jenkins (Wales Audit Office) confirmed that contact with the Council has been made on this matter but that a review is considered premature at this point in time. It is intended that this review will form part of the main Council Audit which is expected to commence in March 2018.

In response to a Member's query over whether interim management arrangements across the Authority may have contributed towards the lack of a strategic approach for the use of Council assets and current IT arrangements, Ms Jenkins explained that this would be for the Council to assess as part of ongoing review work.

REPORTS OF OFFICERS

Consideration was given to the following reports.

8. SICKNESS ABSENCE WITHIN THE COUNCIL

Following the agreement of the Scrutiny Committee, the item was moved forward on the agenda.

Councillor K. Etheridge declared an interest in this item (having a family member who is affected by the issues in the report) and left the meeting during consideration of this item.

Lynne Donovan (Acting Head of Human Resources and Organisational Development) presented the report which had been requested at the Scrutiny Committee meeting of 6th June 2017. The report outlined the position with regard to sickness absence within the Council, including the levels of absence for the previous 2 years and the actions taken to improve these.

It was explained that the Managing Attendance Team was established in October 2010 to support Managers to manage absence effectively and consistently across the authority. Members were referred to the report which set the overall absence levels per quarter during the previous 2 years by directorate, together with details of long term and short term absences during this period. The report also detailed the process surrounding Informal Absence Reviews (IAR), reasons for absence across the Authority (overall and per directorate) and details of the appointments undertaken by the Occupational Health Unit to support the management of sickness absence. Appended to the report were details of the number and percentage of employees per directorate that have reported sick across a range of days per each quarter, together with a copy of an email from the Cabinet Member for Corporate Services in relation to sickness absence.

Members noted an increase in the number of reported days lost per FTE (full time equivalent) for 2016/17 (12.2 days compared to 11.7 days for 2015/16). In Quarter 4 for each year (January to March), 68% of employees had no sickness absence and this rose to over 70% of staff in other quarters, with Quarter 2 each year (July to September) reporting over 80% attendance. As a result of concerns regarding increasing sickness absence levels during mid 2016/17, a number of activities have been carried out, which were detailed in the report. These include regular discussion at management meetings, additional training, guidance and support by HR, reminders to managers regarding the completion of Informal Absence Reviews, and the creation of extra Occupational Health sessions to reduce the backlog.

The Cabinet Member for Corporate Services referred to his email to the Leadership Team as appended to the report, which outlined his commitment to addressing sickness absence across the Authority. He expressed concerns regarding the current high levels of sickness absence compared to neighbouring authorities, and emphasised the need for these to be reduced, particularly in view of the workload impact that sickness absence can place on the remaining staff within a service area.

In response to a Member's query, it was confirmed that a comparison of sickness levels had been carried out across other local authorities but not the private sector due to differing working environments and practices. Discussion took place in regards to the completion of Informal Absence Reviews, and Officers confirmed that HR are ensuring that these are correctly completed, and are providing common advice and support to managers in this regard. It was explained that if a service area consistently fails to complete these documents, then the matter will be addressed through the Corporate Management Team and Head of Service.

In response to a Member's query, it was confirmed that the sickness information for the Directorate of Education and Lifelong Learning includes schools staff. A Member referred to the high level of sickness absence across Social Services and queried whether more detailed information is available in this regard. Officers confirmed that they are able to break this down into service areas/teams and offered to forward this information to the Member.

Members expressed a need for the recognition of good attendance and Officers confirmed that staff in Social Services used to receive a letter of thanks but that this practice has been discontinued in recent years. It was confirmed that this is a process that could be revisited and Members welcomed the opportunity to acknowledge staff efforts in view of the additional pressures placed on them as a result of sickness absence. Officers added that consideration is being given towards developing a staff focus group to address the matter of sickness absence and the support available to staff.

Members expressed a need for an update report on sickness absence to be brought back to the Scrutiny Committee at a future point in time and this was agreed by those present.

Following discussion on its contents, the Scrutiny Committee noted the sickness absence information contained within the report.

9. WALES AUDIT OFFICE REVIEW OF THE WHQS DELIVERY PROGRAMME

Councillor Mrs B. Jones declared an interest in this item (being a Council tenant who has benefitted from the programme) and left the meeting during consideration of this item.

Members were referred to the report considered by Cabinet on 1st November 2017, which detailed the recommendations resulting from the Wales Audit Office (WAO) review of the Welsh Housing Quality Standard (WHQS) delivery programme, together with Officer's comments and the actions proposed in response to the WAO report. An extract of the

Cabinet minutes which detailed the discussion on the item was appended to the report. The Scrutiny Committee were asked to note the outcome of the WAO Review of the WHQS Programme and the response from the Council which addresses its content, the issues raised therein and the proposals for improvement.

The Chair welcomed Ms Non Jenkins and Mr Ron Price (Wales Audit Office) to the meeting and invited them to present their finding, conclusions and proposals for improvement as detailed within the document.

Ms Jenkins highlighted the key issues contained within the report and referred to the scope of the review, the interviews and evidence collated from Officers, tenants and leaseholders, the conclusions drawn and the subsequent statutory recommendations (which will be followed up to ensure that they are being addressed). It was the view of the WAO that “the majority of tenants’ homes remain below the Welsh Housing Quality Standard 4 due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the Standard by 2020”. The WAO have subsequently made three recommendations for the Council to address:-

- **Recommendation 1** - By September 2017, develop a comprehensive, overarching, financial and operational programme, setting out how the Council will achieve WHQS by 2020;
- **Recommendation 2** - Assure itself that it is meeting its statutory landlord responsibilities;
- **Recommendation 3** - Ensure it has sufficient project management capacity to deliver the Council’s WHQS programme effectively by 2020.

Christina Harray (Corporate Director – Communities) emphasised the Council’s commitment to meeting the WHQS standard by 2020 and outlined the current position and anticipated projections as discussed at the meeting of Cabinet on 1st November 2017. 75% of internal works and 40% of external works are expected to be completed by March 2018, with 94% of internal works and 80% of external works expected to be completed by March 2019. It was explained that Officers agree with the recommendations set out by WAO and accept that further improvements need to be made, which are being delivered in accordance with the action plan and will be monitored on a monthly basis by Caerphilly Homes Project Board.

However, the Scrutiny Committee were advised that Officers do not agree with the overall conclusion drawn by the WAO as it is felt that this statement does not offer a fair assessment of the current position of the programme. Members were reminded of the delayed start to the WHQS programme of works, arising from the outcome of the housing transfer ballot, changes at senior management level and the time taken to procure suitable contracts for the delivery of such a major investment project. Since that time, considerable progress has been made across the WHQS programme. The recommendations were made following the review in March/April 2017 and at that point in time significant changes were already in the process of being made, which are demonstrated within the action plan, with many tasks already completed.

Officers also summarised the numerous benefits arising from the WHQS programme to date. These include a continual cost-effective approach to works which have allowed the programme to remain within budget, high levels of tenant satisfaction, improvements to quality of life, and community and environmental benefits. The Council have also recently introduced a Dynamic Purchasing System which has been received positively by local contractors and has contributed to an accelerated rate of completions. Overall, 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.

Mr Clive Davies (Chair of Caerphilly Homes Task Group) was welcomed to the meeting and invited to present the views of the Task Group, who had considered the report at their meeting on 2nd November 2017. He explained that the Task Group held concerns regarding the

accuracy of the information contained in the report and the way in which the report had been compiled, and would wish to see a further report on progress across the WHQS programme of works since that time. Concerns had also been raised in regards to procurement processes, and overall, it was the view of tenants that it will be difficult to achieve the Welsh Housing Quality Standard by 2020.

Discussion took place on the contents of the report and a Member asked the WAO whether it would be beneficial for the Council to employ additional staff to engage with tenants and assess the quality of completed works. The Member also asked whether the Council should alert Welsh Government to the possibility that the works may not be completed by 2020 so that appropriate action can be taken ahead of the deadline. Ms Jenkins emphasised that the Council still has more than two years to complete the programme of works and explained that the recommendations had been made in order to allow the Council to take prompt action and demonstrate that it has arrangements in place to deliver the programme by 2020. In relation to staffing measures, she explained that it was the Council's responsibility to determine that they have sufficient capacity to deliver the programme. Ms Jenkins also confirmed that the WAO would reach the same conclusions if writing the report again, as no follow-up work has been carried out since the original review in March 2017.

A Member queried the feasibility of meeting the Welsh Housing Quality Standard by 2020. Officers explained that at the time of the WAO review in March 2017, external works to 1300 properties had been completed. Since that time, the rate of completions has accelerated considerably and 3000 properties have been completed in the last 6 months. New contractor and contingency arrangements have now been put in place across a number of areas, which are proving extremely successful, and therefore Officers continue to be optimistic that the programme will be completed by 2020.

Discussion took place regarding value for money across the programme and Members referred to the in-house workforce costs outlined in the report, which are approximately 20% higher than external contractors. Officers explained that these costs include an element of DLO and other support costs (such as IT, Procurement and HR) and outlined the benefits of having an in-house workforce, including access to a wide bank of trusted staff, reliability of works, and high levels of tenant satisfaction. Clarification was also sought in regards to the payment of the living wage by contractors and Officers explained that contractors are encouraged to pay the living wage but this cannot be enforced by the Council. Members were asked to note that the Council also has the facility to recruit additional resources without delay, which allows resources to be brought into the programme as and when required to meet contractual demands.

A Member suggested that additional weight could have been given to the views of the tenant representatives from the Caerphilly Homes Task Group, given that they represent tenants across the county borough. Officers explained that they have since consulted with these representatives in regards to their feedback given to the WAO and a number of improvements have been made to the programme as a result. The Scrutiny Committee were advised that Officers take particular exception to the tenant representatives' claims that the WHQS programme is "having a detrimental rather than transformational impact on people's lives", given the quality of work carried out and the high standard of feedback from Council tenants, together with other benefits such as energy efficiency and the creation of jobs across the county borough.

In response to a Member's query, Officers outlined details of the "no access" process, which allows the Council to meet its statutory landlord responsibilities in relation to gas safety. A Member also sought assurances as to the quality of contractors used and Officers outlined the procedures in place to ensure these standards are being met.

A Member expressed a need for the actions outlined in the report arising from the WAO recommendations to be proactively driven forward in order to achieve these objectives,

together with continuous monitoring of the progress made in this regard, and discussion took place regarding the most suitable course of action to progress this matter. Arising from this, it was moved and seconded that in addition to noting the outcome of the WAO review and the Council's response, a cross-party working group be established to consider the recommendations from the WAO and to review the progress made against the three recommendations. By a show of hands this was unanimously agreed.

RESOLVED that:-

- (i) the outcome of the Wales Audit Office review of the Welsh Housing Quality Standard programme and the response from the Council which addresses its content, the issues raised therein, and the proposals for improvement, be noted;
- (ii) a cross-party working group be established to consider the recommendations from the WAO and to review the progress made against the three recommendations.

Officers confirmed that they would contact the Scrutiny Committee following the meeting with regards to the specific arrangements for the working group.

The Chair thanked Ms Jenkins and Mr Price for attending the meeting and responding to issues raised during the course of the debate.

The meeting closed at 7.46 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 16th January 2018, they were signed by the Chair.

CHAIR