



## **SPECIAL POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE MEETING HELD AT ST DAVID'S COMMUNITY CENTRE, RHYMNEY ON TUESDAY 29TH JULY 2014 AT 5.30PM**

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**PRESENT:**

Councillor H.W. David - Chair  
Councillor S. Morgan - Vice Chair

**Councillors:**

L. Binding, C.J. Cuss, Miss E. Forehead, C. Hawker, Ms J.G. Jones, G. Kirby, A. Lewis,  
D. Rees, Mrs J. Summers,

**Cabinet Members:**

Mrs B. Jones (Corporate Services) and G. Jones (Housing)

**Together with:**

P. Davy (Head of Programmes), S. Couzens (Chief Housing Officer), J. Roberts-Waite  
(Strategic Co-ordination Manager), C. Forbes-Thompson (Scrutiny Research Officer),  
J. Jones (Democratic Services Manager and E. Sullivan (Democratic Services Officer).

**By Invitation:**

A. Lewis (Chair, Caerphilly Homes Task Group) and C. Davies (Tenant Representative,  
Caerphilly Homes Task Group).

#### **1. APOLOGIES**

Apologies for absence were received from Councillors J.E. Fussell, D.M. Gray, C.P. Mann,  
R. Saralis, J. Taylor and Mrs C. Forehead (Cabinet Member for HR and Governance/Business  
Manager) and N. Scammell (Acting Director of Corporate Services and Section 151 Officer).

#### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest received at the beginning or during the course of the  
meeting.

#### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

**3. PERFORMANCE MANAGEMENT IMPROVEMENT OBJECTIVE 5 - INVESTMENT IN COUNCIL HOMES TO TRANSFORM LIVES AND COMMUNITIES.**

The Head of Programmes introduced the report which outlined the progress made against Improvement Object IO5 - Investment in Council homes to transform lives and communities.

Members were referred to Appendix 1 of the report and the key actions were explained and achievements highlighted. It was noted that 600 properties had benefited from internal improvements however some slippage was reported on the properties added to the original 2013/14 programme. Reference was made to the Savills stock condition database and that the past 12 months had proven that only limited reliance could be placed upon this data. Individual property surveys being the only accurate means to determine the full scope of the works required. The timing of these surveys was therefore critical to maintaining the continuity of work for both the in-house work force and contractors.

Customer Satisfaction was noted to have reached 92% over the year, well above the target of 80%. A small number of complaints had been received with regard to the disruption caused by the works but, once completed, tenants were very happy with the end result. The surveys recorded the standard of the workmanship provided by the In-House Team as 'very good'.

The Officer confirmed that the supply partner contract with Robert Price Ltd was critical to the success of the programme and, although there had been some initial problems, the contract was working effectively and running smoothly. Reference was made to the Environmental Programme which had originally been scheduled to run parallel to the Internal Works Programme. The Environmental Programme had now been deferred to 2019/20 in order to secure a saving against the general fund and contribute to the Council's Medium Term Financial Plan (MTFP). Members were advised that the Officer Project Board were currently reviewing this decision with the purpose of identifying strategies for bringing forward the Environmental Programme.

The Chair thanked the Officer for his report and full discussion ensued.

Members referred to the Improvement Objective relating to the number of houses that had achieved WHQS Standard in the year, having noted that figures would not be available until July 2014 they queried if this data was now available. The Head of Programmes outlined the process used to extract this data from the asset data base and confirmed that due to a mixture of staffing and technical issues they were currently unable to provide the information. The Officer also confirmed that properties often fell in and out of compliance at different times and would only be fully compliant when both the interior and exterior works had been completed.

This Improvement Objective also noted an intervention figure of 800 properties and clarification was sought as to the nature of this intervention and the affect on tenants. The Officer confirmed that this figure referenced the anticipated profile of achievement and advised that during the early years of the programme achievement would be low but numbers would dramatically increase during the middle of the programme. Assurances were given that progress would be appropriately managed to ensure targets were met. Members were advised that some slippage had occurred due to issues with the procurement process for the internal and external works contracts but this would be closely monitored.

Clarification was sought on the number of training and employment opportunities that had been provided as part of the WHQS programme. The Head of Programmes confirmed that this referred to Targeted Recruitment and Training (TR&T) clauses written into contracts. It was noted that currently only the Robert Price supply partner contract had commenced. The TR&T clauses will be delivered over the lifetime of the contact. Members were advised that specific numbers of jobs, training places, work experience etc had to be provided.

Further clarification was sought on the monitoring and collation of the data in terms of community benefits. The Chair of the Caerphilly Homes Task Group confirmed that they received regular updates on Community Benefits and monitored the progress being made.

Members requested that an updated report on Community Benefits (Targeted Recruitment and Training) be included on the forward work programme of the Policy and Resources Scrutiny Committee.

Reference was made to the Customer Satisfaction Surveys and clarification sought as to any common issues arising. The Officer confirmed that one of the main issues related to the management of tenant expectation. As the Council had continued to invest in its property portfolio prior to the start of WHQS programme many components were already in compliance with the standard. Some tenants residing in properties that had benefitted from some improvement works prior to the start of the WHQS programme had been disappointed that their properties would not receive the same kitchens and bathroom improvements being rolled out as part of the WHQS programme. Members were advised that this had been perceived as unfairness amongst certain tenants and complaints had arisen as a result. The surveys had also show dissatisfaction levels with regard to a reduction in bath sizes (in some properties), noise and the level of disturbance experienced during the refurbishment works.

Clarification was sought as to whether any savings could be achieved as a result of the previously completed works. The Officer confirmed that the costs involved in the WHQS programme were huge and were subject to significant movement. For example, when the works commenced there had been no provision made for decorating works following fitment of new kitchens and bathrooms. However it became apparent that without decoration the improvement works appeared unfinished. Following consultation with tenants and looking at the works undertaken by other social landlords the decision was taken to add the decorating element to the programme, however, this came at an additional cost of £2.5m. Similarly the allocation for the works at Rowan Place was originally budgeted at £600,000 but due to the issues found when surveyed this would now be closer to £4.2m. Such big budgetary movements were understandably difficult to manage.

Members acknowledged that similar themes had been referred to them with regard to tenant expectation and echoed the need for this to be appropriately managed and tenants supported. The Officer confirmed that it would have been a far easier process had it started with a blank sheet. However, tenants were being offered advice and support on the nature of the improvements they could expect. The Chair of the Caerphilly Homes Task Group confirmed that the majority of tenants were pleased to have some work done and did understand that full refurbishment would not be an option for everyone but this did not prevent them looking at works being carried out elsewhere.

Members queried if this meant there was an underlying communication issue and were advised that improvements had been made under the new Tenant Communication Strategy and the work of the Communication and Engagement Officer was to provide continuous information to tenants through a variety of different media.

Further clarification was sought with regard to the 92% satisfaction rate achieved and how this data was collated. The Head of Programmes confirmed that the figures were derived from survey forms posted out to tenants on the completion of works. This was supplemented by the work of the CSIMs group where surveys were conducted face-to-face. Members were assured that the data presented was a fair reflection of the levels of satisfaction achieved and advised that a good response rate had been received. The Officer confirmed that satisfaction rates did fluctuate during the works process with tenants being least satisfied at the commencement of the works. It was noted that 80% of works were completed on time but there were instances where works had over run or delays have been experienced because of materials delivery issues. There had also been instances where tenants had themselves requested that works be delayed.

The deadline for the completion of the WHQS programme was noted and clarification sought as to whether this timeframe was achievable given the slippage issues. The Officer confirmed that there are significant risks to the deliverability of the programme. The risks are kept under review and mitigation measures are actively pursued. The completion of the programme by 2019/20 was not negotiable with Welsh Government and the Council has to submit a viable business plan each year that demonstrates the programme will be delivered by this date. The annual Major Repairs Allowance (MRA) is dependant on this. It was noted that the assumptions behind the business plan could be reworked, for example increasing the amount of borrowing against the Housing Revenue Account (HRA), but there would be a limit on how much borrowing could be supported by the HRA.

It was also noted that a report had been presented to Council on 22<sup>nd</sup> July 2014 regarding the need to change the funding arrangements for the programme so that it becomes fully funded by the HRA lifting the borrowing from £39m to £55m. (The original business plan had involved a General Fund Contribution)

Clarification was sought in relation to the challenges facing the procurement processes and the implications of any delays on the programme.

The Officer confirmed that high value contracts could be subject to challenge primarily from unsuccessful tenders and would be appropriately dealt with going forward. However issues had arisen with the procurement timeline for the internal and external works contracts. Members were advised that the tendered rates received had raised concerns about value for money and affordability. Following dialogue with the internal works contractors a revised set of rates were secured but these had been above the estimated costs within the business plan. A report was then submitted to Cabinet in this regard and the decision taken to proceed with the award of the internal contracts but a delay of six months had been incurred. The external works tender rates were subject to the same value for money issues, together with irregularities between the OJEC notice and the ITT. It was therefore decided to retender these contracts. As a result it was expected that the external works in the Upper Rhymney Valley would be delayed until April 2015.

Members queried how far into the process had the irregularities been discovered. The Officer confirmed that they had arisen during the tender evaluation stage but given the potential risk of challenge the Council could not proceed to the award of contract.

Clarification was sought as to how this slippage could be recouped and the Officer confirmed that as the internal works programme was designed to run over several years it was anticipated that the 6 months slippage would be caught up. For the external works, Members were assured that some flexibility had been built in to the back end of the programme which would ensure the works would still be capable of being delivered within the period to 2019/2020.

Clarification was sought as to the nature of the legal challenges that have been experienced to date. The Officer advised that a number of issues were still ongoing and that it would not be possible to give further information until they had been resolved. Members were assured that given the complex nature of public procurement law appropriate legal advice had been sought.

Members referenced the condition of the Rowan Place properties and the impact the revised works would have on the business plan and sought assurances that should these issues arise in other areas they could be accommodated within the business plan. The Officer confirmed the potential for this to happen in other areas and advised that until properties had been individually surveyed the true extent of the works required would not be known. It was noted that the programme had achieved some savings in the last financial year and Members were assured that funding would be closely monitored in order to ensure the deliverability of the whole programme. Assurances were also given that the specification and quality of the work undertaken would be of the same high standard throughout the length of the programme.

Members requested a report on damp issues and were advised that this would be presented at the September meeting of the Policy and Resources Scrutiny Committee.

Members requested further information with regard to the actions taken when tenants were dissatisfied with the standard of works or where works had gone wrong. Concern was also expressed with regard to the lack of applications to the Community Improvement Fund and the number of applications being rejected.

The Officer confirmed that applications to the Fund had been rejected or were unable to be awarded for a number of reasons. These included lack of information; some had required planning or landlord permissions and for some the fund was providing only part of the full funding requirement for the project. It was noted that the fund had been well publicised including a promotional launch to highlight it to the Voluntary Sector and Community Groups but unfortunately the level of take-up had not been high.

The role of the Voluntary Sector and Communities First in assisting groups to make applications was discussed at length and it was noted that not all areas had the same level of support. The Chair of the Caerphilly Homes Task Group commended Jane Roberts-Waite and the Team for the assistance they were providing but felt that community groups required more help from organisations such as GAVO if their applications were to be successful.

Clarification was sought with regard to the environmental programme and tenant consultation. The Head of Programmes confirmed that the residents of the different estates would determine the nature of the environmental improvements. For example improved street lighting, the installation of CCTV, improved access, playgrounds etc. Residents would identify their priorities through a planned consultation process which it was hoped would commence no later than 2016.

Reference was made to the improvement objective to 'transform lives and communities' which was about achieving added value to the WHQS Programme.

The Officer acknowledged that this was a very ambitious objective but advised that the WHQS programme had always been viewed as a catalyst to achieve much more than just the physical improvement of the Council's housing stock. This included linking with other support mechanisms that could facilitate a successful outcome for the individual and the community. Members were advised that part of the Welsh Housing Quality Standard designated the adaption of properties to support specific needs and to this end an Occupational Therapist (OT) had been appointed. The OT provided tenants with individualised intervention plans and assessed any adaptation needs. As an example reference was made to the works completed that allowed a partially sighted tenant to safely use her own kitchen again by tailoring the units and colour schemes to her specific needs. These works had greatly improved her quality of life and extended her ability to live independently.

The Cabinet Member for Housing reiterated the ambitious nature of the commitment made to Council tenants and welcomed the challenge and opportunity to make a dramatic difference to residents and communities. He recognised the contribution of the Tenant Liaison Officers and the excellent standard of work and quality of service provided by the In-House team. Reference was also made to the small lots exemption and the very real benefits this could bring to local businesses.

The Chair thanked Kate Issacs, Tenant Liaison Officer for the Upper Rhymney Valley for her assistance during today's site meeting and acknowledged the vital role of the Tenant Liaison Officer as the tenants advocate before, during and after the refurbishment process.

The Policy and Resources Scrutiny Committee noted the report and the evidence relating to Improvement Objective IO5.

#### 4. WHQS MONITORING REPORT 2013-14 (END OF YEAR)

The Head of Programmes introduced the report which provided an overview of the performance of the WHQS Team during the financial year 2013/14 along with details of the 2013-16 Outcome Agreement with Welsh Government on the expected progress to WHQS compliance.

Members were referred to the table in section 4.14 of the report which detailed the internal works compliance per contract lot and the extent to which they were achieving compliance. It was noted that where the percentages listed were low some slippage had been involved with the works progress for example in Rowan Place and Ty Coch. Section 4.17 and 4.19 outlined the make up of the works completed. The Officer confirmed that the level of refusals had been reduced from 38% to 4% and the work of the TLO's in achieving this improvement was recognised.

Tenant satisfaction was addressed in section 4.21 of the report and Members were assured that the process was as independent as possible with a proportion of the surveys completed with tenants in their homes by trained tenant representatives. To date 14% of the completed surveys have been carried out by the CSIMs. The survey process was detailed and it was noted that a response rate of 45% had been achieved, this was approximately 10-15% above the typical return rate achieved within the housing service. The completed forms are analysed and any specific concerns identified are tracked, followed up and the appropriate action taken to ensure they were resolved and the outcome fed back to the CSIMs. Members were advised that one of the specific concerns that had arisen related to ensuring that staff carrying out the internal works appreciated and respected that they were working within someone's home. The Officer confirmed that more work would be done to ensure that both the in house workforce and external contractors worked to the standards of the Charter for Trust. The latter had been jointly developed with tenants.

The Welsh Government Outcome Agreement was detailed in section 4.33 of the report and noted that taking account of the previous achieved works, tenant refusals and contract slippage around 600 Council homes had benefitted from internal improvements in 2013/14 with an overall tenant satisfaction level with the work of 92%. It was noted that the Council would be unlikely to ever achieve 100% WHQS compliance as at any point in time its was likely that one or more components in the housing stock would have reached the end of its lifecycle and require replacement.

The capital expenditure programme for the 2013-14 works was outlined and Officers confirmed that the volume of work would significantly increase during 2014/15 with close to 3,000 properties scheduled into the programme.

The Chair thanked the Officer for his report and full discussion ensued.

Clarification was sought in relation to the Rowan Place contracts had how quickly the works could be completed.

The Officer confirmed that there 72 units on the Rowan Place estate requiring approximately £4m of works both internal and external which he estimated would take 2 years, this included the sub contract of certain elements. The main contractor would be the in house team (DLO) but some elements of work such as the roofing would be sub contracted.

Members referenced the Tenant Surveys and queried the length of time between the completion of the works and the posting out of the surveys. The Officer confirmed that the distribution of the forms was triggered by the completion of the block contract, so the timeliness of receipt would vary depending on the position of the property within the block. Members were advised that the current survey format was being reviewed in line with responses from tenants and the CSIMs group. It was noted that the survey did not prevent tenants from raising issues at any point during the works or from making a complaint via the Council's complaints process.

Some of the issues arising from the CSIMs interviews were discussed and noted to include the time wasted on small things, inconsistent approach, comparison with other tenants and external works delays and queries with regard to the extent to which over cladding would be carried out. The Officer confirmed that the extent of the external works would very much depend on the construction of the property, for example non-traditional builds would benefit from certain energy efficiency schemes, including over cladding that would not be available to other properties.

Strengthening communication in relation to the tenant's expectations was discussed and the requirement that a careful explanation of the extent and nature of the works a tenant can expect was emphasised.

Clarification was sought with regard to the transfer of the housing stock and whether the same standard would have been met. The Officer confirmed that the Council in the addendum document had pledged like for like delivery against the Castell Mynydd Offer Document and confirmed that an enhanced specification had been achieved on certain components. Concerns were raised in relation to unexpected works and the ability of the programme to cope with the additional costs. The Officer explained this was a major challenge in managing the programme but it was impossible to foresee all the issues which may arise.

Clarification was sought as to the possible implementation of an inspection programme to ensure that having made these improvements, tenants were keeping-up the properties to an appropriate standard. The Chief Housing Officer confirmed that an Inspection Policy was currently being developed. This would allow Officers to check that properties were being looked after and was in-line with current practice with both private and social registered landlords.

Concerns were expressed by the Chair of the Caerphilly Homes Task Group that inspections would be a breach of tenants' privacy and they had the right to live as they chose and this was echoed by a Committee Member. Ms Lewis was also mindful that Council tenants were usually on low incomes and might not be economically able to live up to a standard that others might deem as acceptable. She sought clarification as to what would constitute the inspection standard and whether this was even required given that the Council already implemented a recharge policy and re-let standard.

The Chief Housing Officer reassured Members that it was not the intention of the policy to 'check up' on a tenants way of life but there was a need to check that the works undertaken were holding up and that materials were sustainable under use. It was also noted that there had been instances where Officers had returned to a property 6 months after a new kitchen had been fitted to find it in a state of disrepair. Such instances could be avoided with a regular inspection process. It was also stated that such inspections could assist in determining the status of the household i.e. if there had been any changes to the tenancy or if the tenant had any support needs, as face to face visits by the existing Tenancy Support Officers had proved very beneficial.

Members agreed that they would welcome an inspection policy and requested that a report on the progress made be presented to the next appropriate Policy and Resources Scrutiny Committee. Members also requested a report on the Recharge Policy and Re-Let Standards.

The meeting closed at 19.30pm

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 30th September 2014 they were signed by the Chair.

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CHAIR