



CAERPHILLY HOMES TASK GROUP – 6TH JULY 2017

SUBJECT: WELL BEING OBJECTIVE WO5 – INVESTMENT IN COUNCIL HOMES TO TRANSFORM LIVES AND COMMUNITIES

REPORT BY: CORPORATE DIRECTOR - COMMUNITIES

1. PURPOSE OF REPORT

- 1.1 To update progress against Well Being Objective (WO5) – Investment in Council homes to transform lives and communities for 2016/17.

2. SUMMARY

- 2.1 It is acknowledged that good quality, well managed homes in safe and attractive communities contributes to tenants' health, education and wellbeing. This report covers the period April 2016 to March 2017 and looks at the contribution that Caerphilly Homes has made to WO5 as part of its major investment programme to bring the council's housing stock up to the Welsh Housing Quality Standard by 2020. Such an investment has also been used to target support for local businesses, training, employment and the local economy as a whole.
- 2.2 The internal works have achieved 2171 completions against a target of 2352 (92%). The external completions have achieved 921 completions against a target of 3395 (27%). The total number of properties that are fully compliant with WHQS for 2016/17 stands at 270.
- 2.3 Although some progress has been made in relation to the completion of external works, this remains significantly behind programme and requires further improvements to be made as a matter of urgency.
- 2.4 Works in relation to energy efficiency and adaptations to meet tenants specific needs have progressed well during the year.
- 2.5 A number of 'core' community benefits have been delivered.
- 2.6 There has been limited progress in relation to the environmental programme.
- 2.7 Tenant satisfaction levels remain high with extremely low levels of complaints.
- 2.8 The programme remains challenging, but improved progress has been made and new arrangements introduced to ensure momentum is improved to deliver the standard by 2020. During the period covered by this report it is assessed that achievement against the Well Being Objective WO5 is partially successful.

3. LINKS TO STRATEGY

- 3.1 The delivery of the Welsh Housing Quality Standard (WHQS) programme is coterminous with the aims of the Wellbeing of Future Generations (Wales) Act 2015 which requires public bodies to work towards a shared vision comprising 7 goals and adopt the 5 “Ways of Working”. The goals and the 5 Ways of Working will underpin the delivery of the programme and include planning and acting for the long term, integration, involvement, collaboration and prevention.
- 3.2 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards. It is a Welsh Government requirement that the WHQS is achieved by 2020.
- 3.3 The Caerphilly Delivers - Single Integrated Plan 2013-2017 has a priority to “improve standards of housing and communities, giving appropriate access to services across the County Borough”.

4. THE REPORT

Background

- 4.1 The Council has a housing stock of 10,822 properties comprising approximately 13,000 tenants and is investing over £200m in bringing all homes up to the Welsh Housing Quality Standard by 2020. Since embarking on the delivery of the programme, it has always been our intention to utilise this investment, not just to improve homes, but to also transform peoples lives and the communities in which they live.
- 4.2 The approach taken was in accordance with W.G. guidance and included consultation with tenants, which resulted in the programme being delivered by undertaking internal and external works separately and in different communities. The programme set out the number of properties that were required to be completed within each community for each year, in order to achieve the standard by 2020.
- 4.3 Due to the scale of the project, work was to be undertaken by the in-house workforce and external contractors and was structured to provide opportunities for local business in order to maximise support for the local economy. In addition, the contracts included core requirements for the contractors to provide community benefits, particularly in relation to providing opportunities for work placements, training, apprenticeships and jobs.
- 4.4 An environmental programme was also agreed in order to meet the WHQS requirements that properties be located in attractive and safe environments. This is programmed to be delivered over the next three years, with the work predominantly being undertaken by various in-house services including Housing Repair Operations Team, Highways Operations Group and Grounds Maintenance. Resources are also being used across Caerphilly Homes to assist in identifying projects through local knowledge, tenant and member enquiries, as well as consultation with various community groups.
- 4.5 The WHQS requires properties to meet the specific needs of the household which aims to not only assist with individuals health and wellbeing, but also helps to reduce accidents within the home. To deliver on this requirement a number of Occupational Therapists have been appointed and work alongside our surveyors to provide a needs assessment. This has resulted in 430 specific adaptations being made to tenants homes to help with any medical or physical conditions they may have.
- 4.6 To date the WHQS Team have delivered internal improvements to 5,874 properties, which leaves a total of 4,955 required to be completed over the next three years, which have been broken down as follows:-

2017/18	-	2,505
2018/19	-	1,754
2019/20	-	696

- 4.7 With regards to external works, at the end of 2016/17 only 1,320 properties have been completed. Whilst this is significantly behind the numbers initially programmed, there has been a significant improvement recently following the introduction of new contractual arrangements. In order to deliver the standard over the remaining years, the following profile has been established:-

2017/18	-	4,675
2018/19	-	2,579
2019/20	-	2,001

- 4.8 It is accepted that the external works programme is challenging, but with changes to the contractual arrangements, improvements made in surveying, efficiencies introduced through mobile working and increased capacity, the target of 2020 is still considered to be deliverable.

Current Position

- 4.9 Work has progressed during 2016/17 based around the amended WHQS programme approved by Cabinet in February 2016 plus the subsequent slippage that resulted at year end. Specific details in relation to progress and performance are highlighted further within the report and the attached appendix.
- 4.10 Internal works completions to the end of Q4 was 2171 properties against a target of 2352. This provides a completion rate of 92% against target for the financial year. There are a number of reasons why there is currently a slight under achievement. Some of this slippage is as a result of "no access". This is where staff and/or contractors have failed to gain access to properties to undertake works. There are numerous reasons why this may result such as ill health of tenants, tenants not prepared to engage, programme time slot does not suit tenant. In order to improve access, tenants are offered appointments and these are now confirmed with a letter and text messages, with a further message sent nearer the appointment date as a reminder. As tenants are able to 'opt-out' of the WHQS works unless health and safety is an issue, continued no access will then recorded as an acceptable fail. The property will then benefit from the WHQS works when there is a change of tenancy or if there is a change in other circumstances. There have also been some issues with external contractors' performance where they have not achieved the targets set and this is currently being managed through tighter contractual control and increased resources being provided by the contractors concerned. It should be noted that the in-house DLO performed exceptionally well during the year completing 183 properties from the 2017/18 programme early. At present the internal works are projecting to be completed by the 2020 deadline, with only a small number of properties required to be completed in the financial year.
- 4.11 External works completions are currently lagging well behind target. To the end of Q4 only 921 properties have been completed against a target of 3395. This does compare favourably when compared to the previous year, 2015/16, where only 299 completions were recorded, but remains an area of concern. The main reason for this level of performance has been that the Lower Rhymney Valley (LRV) did not have contractual arrangements in place to undertake external works. It was originally envisaged that this work would be undertaken by the in-house DLO. However, resources were reallocated to Rowan Place and are now being targeted at the Sheltered Housing schemes. Alternate contract arrangements are now in place and available to utilise from April 2017. A number of tender packages under this new contract arrangement have recently been put out to tender and currently work for 1,800 properties are ongoing.

- 4.12 In the East and Upper Rhymney Valley area external works contracts have not progressed as quickly as anticipated. This has predominantly been the result of limited contractor availability within the small lots process in the East and the framework arrangement in the North. The arrangement now in place for the LRV is a more flexible process with contingency built in to allow its use in the other areas if needed. It is anticipated that this will assist in addressing the backlog moving forward as it will provide a larger pool of contractors. The external works programme will be given priority for 2017/18 which is reflected in the forward work programme.
- 4.13 It should be noted that there have been significant works undertaken in relation to external wall insulation (EWI) to the vast majority of the Council's non-traditional housing stock. During 2016/17 a further 229 properties have benefited from installation of EWI at Pontllytyn, Gilfach and Gelligaer. These works transform the appearance of properties as well as assisting to address fuel poverty and reduce tenants energy bills. Recently further EWI works have commenced at Lansbury Park. The initial phase 1 works is targeting 320 council owned properties with phase 2 to follow improving the remainder of the council owned properties at Lansbury Park (188no).
- 4.14 Whilst the slippage situation needs to be minimised it is unlikely to be completely eradicated as there will inevitably be issues affecting individual properties and as far as practicable consideration is given to the tenants when work is planned. The slippage in relation to the internal works is primarily due to access issues and the productivity of the contractors, but this has been estimated and projected forward and there is capacity within the programme to accommodate this. Slippage in relation to external works is mainly due to capacity and arrangements have now been put in place to address this.
- 4.15 The Housing Revenue Account (HRA) garage programme was planned to be complete by April 2017. Unfortunately in order to comply with procurement legislation, new contract arrangements have had to be put in place to avoid potential claims of disaggregating the contract, which will delay completion until 2018 which is well within the overall programme timeline.
- 4.16 Survey work commenced in relation to sheltered housing schemes. Good progress has been made in this area since the decision was made to undertake these works in-house utilising a full property approach. A programme of works has been agreed and issued to the tenants within the schemes and individual scheme meetings have been held with those included within the 2017/18 programme to raise awareness of the extent of works and provide tenants with the opportunity to raise any concerns they may have. Physical works to the first two schemes commenced in April 2017. Members will be aware that agreement was reached to look at the remodelling of 6 sheltered schemes which may be completed after the 2020 deadline, due to the fact that they are deemed not to be fit for purpose and cannot be made WHQS compliant.
- 4.17 The Environmental Programme has now made some progress with over 100 small local schemes spread across the borough being approved and a number have already been completed with many more in progress. Tenant consultations are ongoing to identify further schemes which include various tenant & resident groups, community groups and partnerships. The programme has been developed to deliver the environmental improvements over the next three years
- 4.18 Based on the performance during 2016/17 along with a further re-profiling exercise that has been undertaken (previously reported to CHTG on 16th February 2017, Policy and Resource Scrutiny committee on 28th February 2017 and approved by Cabinet on 15th March 2017), there remains sufficient flexibility in the programme to achieve completion by March 2020.
- 4.19 Customer satisfaction levels remain high with an average of 90% of tenants being satisfied with the completed works undertaken to their homes against a target of 80%. In relation to standards met this is still high at 85% although it is slightly below the target of 90%. Overall

performance can be considered good. There have been some recent organisational issues with one of the contractors, which has resulted in complaints on the timescales taken to complete the works and the lack of customer care by some of their workforce. This is currently being addressed in line with improved management control and the terms of the contract.

- 4.20 Compliments/complaints are being regularly monitored. During 2016/17 the WHQS team have received 22 stage 1 complaints and 8 stage 2 complaints. In addition there have also been 11 cases of compliments/praise received in writing from tenants. This identifies that there is a balance between views and it should be noted that generally tenants are more likely to raise a concern than provide written praise. This all needs to be balanced against the number of property completions during 2016/17 so far which stands at 2171 properties for internal works and 921 for external works. Given this volume of work the number of complaints received is considered to be extremely low.
- 4.21 The Council made a commitment in 2012 at the outset of the programme to ensure that its investment in homes delivered more than simply new kitchens and bathrooms. Its ambition to transform homes, lives and communities has been realised through adaptations to meet the specific needs of tenants and by incorporating community benefit obligations as a core requirement into all internal works contracts and its supply partner contract. During 2016/17 430 homes were adapted to meet the specific needs of the household resulting in a total of 768 homes being adapted to date. In addition, the inclusion of community benefits into WHQS contracts has delivered 69 permanent full time opportunities with contractors and 106 full time opportunities within the Council. 20 apprenticeships have been created with contractors and 43 apprenticeships within the Council. As a result of linking the delivery of work placements for unemployed people aged 16+ with the Welsh Government's LIFT programme which is delivered in partnership with Communities First, 46 work placements have been delivered since the start of the programme. Further benefits relating to the creation of community funds to support local activities, attendance at community events, sponsorship of Caerphilly Homes Awards and projects linked with local schools have also been delivered.
- 4.22 As mentioned previously, 229 properties benefitted from external wall insulation which contributes towards addressing fuel poverty as well as improving the internal and external environment.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 The delivery of the WHQS improvement programme is coterminous with the aims of the wellbeing of Future Generations (Wales) act 2015, in particular:-
- **Long Term:** the report includes the continued investment and performance to achieve WHQS by 2020. This investment provides long term improvements to the property, community and to the tenants well being.
 - **Integration:** The programme looks to integrate property and environmental improvements that will benefit and transform lives and communities throughout the borough. It further brings together a variety of stakeholders to deliver long term sustainable benefits for lives and communities.
 - **Involvement:** Tenants and local residents are being consulted on the proposed property improvements, environmental works along with various initiatives that are part of the WHQS programme delivery.
 - **Collaboration:** The programme delivery is focussed on internal collaboration, partnerships with suppliers and contractors, joint working with the community and various groups. The delivery of community benefits and tenant engagement by all involved with the WHQS programme is a key focus and is clearly demonstrable within its delivery.

- **Prevention:** The works to improve lives and communities will help tackle local unemployment. It will further improve the look and feel of the environment and help prevent anti social behaviour.

6. EQUALITIES IMPLICATIONS

- 6.1 An Equalities Impact Assessment is not required as the report is for information.

7. FINANCIAL IMPLICATIONS

- 7.1 The Capital Programme for 2016/17 was £38.6M. The outturn capital expenditure was £31.4M resulting in an under-spend of approximately £7M. The under-spend will be utilised to fund the future years programme.
- 7.2 Officers will continue to seek alternative funding to support energy efficiency schemes for the Council's housing stock, as this will supplement the current investment being utilised to bring the stock up to the WHQS.

8. PERSONNEL IMPLICATIONS

- 8.1 The timetable pressure is increasing and there has to be the capacity within the staff resources to cope with the volume of work. Staff movement and recruitment difficulties remain a risk to the programme and have continued to be an issue during 2016/17.
- 8.2 Continued close management and monitoring of performance of the programme is essential to ensure that its delivery is not compromised in any way. There will be an increase in workload for the in-house team due to the sheltered housing schemes commencing and additional resources will be required to ensure performance in achieving the objective is maintained.

9. CONSULTATIONS

- 9.1 All responses from consultations have been incorporated in the report

10. RECOMMENDATIONS

- 10.1 Members are asked to note the content of the report and to agree or challenge the judgement of partially successful at year end.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To advise Members of the progress made in 2016/17, in delivering the improvement objective and to gain agreement on the judgement of the service as to progress made.

12. STATUTORY POWER

- 12.1 Housing Acts 1985, 1996, 2004, Local Government Measures 2009 and the Well-being of Future Generations (Wales) Act 2015.

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Background Papers: Welsh Housing Quality Standard (WHQS)
The Council's Local Housing Strategy Housing
The Caerphilly Delivers - Single Integrated Plan 2013-2017

Appendices:
Appendix 1 - WO5 Investment in Council homes to transform lives and communities