



## **POLICY AND RESOURCES SCRUTINY COMMITTEE**

### **MINUTES OF THE MEETING HELD AT COUNCIL OFFICES, PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY 3RD MARCH 2015 AT 5.50 PM**

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PRESENT:

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

Councillors:

L. Binding, C.J. Cuss, Miss E. Forehead, J.E. Fussell, C. Hawker, G. Kirby, A. Lewis, C.P. Mann, D. Rees, R. Saralis, J. Taylor

Cabinet Members:

Mrs C. Forehead (Cabinet Member for HR and Governance/Business Manager), D.T. Hardacre (Performance and Asset Management), Mrs B. Jones (Corporate Services), G. Jones (Housing)

Together with:

N. Scammell (Acting Director of Corporate Services and Section 151 Officer), G. Williams (Interim Head of Legal Services and Monitoring Officer), S. Couzens (Chief Housing Officer), C. Singler (Allocations Officer), K. Williams (Private Sector Housing Manager), P. Smythe (Housing Repair Operation Manager), Fiona Wilkins (Public Sector Housing Manager), C. Forbes-Thompson (Scrutiny Research Officer), H. Morgan (Senior Committee Services Officer)

#### **1. WELCOME - MEMBERS OF THE STANDARDS COMMITTEE**

The Chair welcomed Mrs Diane Holroyd (Chair of the Standards Committee) to the meeting. Mrs D. Holroyd and Community Councillor Mrs G. Davies were present to observe the debate in respect of the Complaint made to the Public Services Ombudsman for Wales (Case number 201301753), which had been referred to this Scrutiny Committee by the Standards Committee.

#### **2. APOLOGIES**

Apologies for absence were received from Councillor D.M. Gray, Ms J.G. Jones and Mrs J. Summers.

#### **3. DECLARATIONS OF INTEREST**

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

**4. MINUTES - 20TH JANUARY 2015**

RESOLVED that the following minutes be approved as a correct record and signed by the Chair.

Policy and Resources Scrutiny Committee held on 20th January 2015 (minute nos. 1 - 20).

**5. CONSIDERATION OF ANY MATTER REFERRED TO THE SCRUTINY COMMITTEE IN ACCORDANCE WITH THE CALL-IN PROCEDURE**

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

**6. CABINET REPORTS**

None of the Cabinet reports listed on the agenda had been called forward for discussion at the meeting.

**7. REPORTS OF THE CABINET MEMBERS**

The Scrutiny Committee received reports from Cabinet Members G. Jones and Mrs B. Jones.

Councillor Mrs B. Jones referred to the budget that was approved at the Special Meeting of Council last week and advised that Caerphilly is in a strong position compared to many other local authorities, thanks to the ongoing prudent approach and effective budget management. A key part of the budget-setting process was ensuring that residents had the opportunity to have their say and help shape services and extensive consultation and engagement has been undertaken. She advised that attention will now be shifting to the 2016/17 budget and, although there are considerable challenges ahead, it is intended to remain focused on the goal of protecting services and jobs wherever possible.

The Cabinet Member was pleased to announce that the new website has been ranked as one of the best amongst all the Unitary Authorities in Wales. The Corporate Information Governance Unit has successfully managed a European Social Fund project on behalf of the Local Service Board to improve the sharing of personal information across the council, health, police and third sectors. The Head of Procurement, Liz Lucas, had been awarded a prestigious achievement award and been made a fellow of the Procurement Society and the Procurement Team were nominated for a national award and obtained "Highly Commended Winner" in the category "Go Small Business/Third Sector Initiative of the Year". She wished to place on record her special thanks to Natasha Ford for all her hard work in preparing the nomination. This was reiterated by those present. The Procurement Team have also been short listed in three categories for Welsh Procurement Awards.

Councillor G. Jones advised that the formal consultation process for the Common Allocations Policy ended on the 23rd February 2015, and all comments received will be considered in drafting the final version of the policy. Initial indications however suggest that the introduction of the Common Housing Register and Allocations Policy will be delayed in order to follow a compliant procurement process for a new I.T. system to support this initiative.

He then referred to a previous report that was submitted in relation to damp and condensation problems which was affecting a proportion of the housing stock and advised that a damp/condensation leaflet and an animated video are being developed, which will be made available via the Internet and social media. When finalised, Members will be advised and it will be promoted for tenants and residents.

With regards to affordable housing, Councillor G. Jones referred to the opening of the housing development on the old Aberbargoed hospital site and was pleased to announce that all of the properties (six one-bedroom flats, eight two-bedroom and nine three-bedroom houses) were occupied within two weeks of the scheme being completed. In relation to the smaller properties programme, Caerphilly has been successful in obtaining £1.5m of funding from the Welsh Government to support the smaller properties programme to provide much needed additional accommodation for those affected by the so called "bedroom tax". Schemes to utilise this funding have already been developed and are in the process of being progressed.

Councillor G. Jones then advised that with regards to the WHQS programme, the internal works programme is increasing in output with the number of property completions doubling in February to 96 completions from 46 in January. Due to pressure on the programme, various measures are being undertaken, including the Rixonway kitchen design pilot which is intended to increase surveying productivity. A review of the contract structure has identified the need for some additional requirements to support the in-house work force and particularly to address the external works programme in the Lower Rhymney Valley.

In closing, he made reference to the appointment of Fiona Wilkins to the position of Public Sector Housing Manager and, as she was present, Members congratulated her on her appointment. Reference was also made to the recent appointment of Marcus Lloyd as Deputy Head of Programmes.

Members were pleased to note that the internal works programme has doubled its output and that a report will shortly be presented to consider a sub programme for the sheltered housing complexes. They also wished to congratulate both Procurement and IT Services on their achievements.

A number of queries were raised on the Cabinet Members reports including the WHQS spend profile against target, citizens engagement, the profile of those occupying the Aberbargoed development, the role of apprentices in the WHQS programme (subject to ongoing discussion) and the external works programme reports. With regards to the latter, it was requested that Members are advised of the external works that are to be undertaken in their wards. It was explained that details of ongoing contracts are sent to each Member but in that following the survey there are different specification requirements for each property, it would be difficult to provide such detailed information. Reference was also made to the slippage of the programme and the revised timeline. Councillor G. Jones advised that details had previously been presented to both the Caerphilly Homes Task Group and this Committee.

Members thanked the Cabinet Members for their informative report and for responding to the queries raised.

## **REPORTS OF OFFICERS**

Consideration was given to the following reports.

### **8. COMPLAINT MADE TO THE PUBLIC SERVICES OMBUDSMAN FOR WALES - CASE NUMBER 201301753**

Consideration was given to the report of the Monitoring Officer with that of the Public Services Ombudsman for Wales regarding a maladministration complaint made against Caerphilly County Borough Council, which had been considered by the Standards Committee on 24th November 2014 and subsequently referred to this Committee. The Ombudsman made several recommendations which the Housing Department have accepted and agreed to implement.

The Interim Head of Legal Services and Monitoring Officer advised that the Standards Committee are able to determine whether the matter should be referred to the appropriate Scrutiny Committee. The grounds for referral are 'where, in the opinion of the Standards Committee there has been a serious failure in service delivery that would benefit from further consideration by the appropriate Scrutiny Committee'. Notwithstanding the foregoing, and in that Officers had attended the meeting of the Standards Committee to detail the progress that has been made to date, in that several of the recommendations refer to implementation within two/three months from the receipt of the report, the Committee determined that it would be beneficial for Members to monitor progress at the meeting of the Policy and Resources Scrutiny Committee.

It was noted that since the presentation of the report to Standards Committee, all of the recommendations of the Ombudsman have been complied with. An assurance was sought that with regards to recommendation (f) as it relates to training, that appropriate training will be given to the relevant Housing staff. The Private Sector Housing Manager referred to the Housing Wales Act and changes to the homelessness agenda and confirmed that Housing staff, including allocation staff, continue to be trained on the circumstances when the Council's homelessness duties may be triggered and the steps that should be taken. Documentation is being reviewed to ensure that it supports the early recognition of when the Council's homelessness duties may be triggered and thus engaged.

During the course of the debate, a query was also raised on the housing allocation policy and specifically if applicants are made aware when changes are made to their standing. It was noted that a new framework is being introduced to assist the transition from a points to banding system and amendments are being made to the storage of data. It is intended that a letter will be generated for the applicant when any changes are made.

It was suggested that the report should be referred to the Audit Committee in order that the implementation of the recommendations can be monitored and, if required, recommendations be brought back to this Committee. It was noted that the protocol for the referral of reports from the Public Services Ombudsman for Wales from the Standards Committee to the relevant subject scrutiny has been agreed by Council and the terms of reference of the Standards Committee and the Constitution amended accordingly. As such there would be a requirement to change both to enable the report to be presented to either the relevant subject scrutiny or Audit Committee in order that progress on any recommendations can be monitored.

It was unanimously agreed that the necessary changes be made to both the terms of reference of the Standards Committee and the Constitution to enable the report to be referred to either the relevant subject scrutiny or Audit Committee, and in the meantime the report be presented to the next meeting of the Audit Committee. Members were reminded that this would require a report to full Council.

## **9. RESPONSE REPAIRS POLICY**

The report, which was considered and endorsed by the Caerphilly Homes Task Group on 11th December 2014, detailed the proposed implementation of a Response Repairs Policy for all Council properties. Response repairs are defined in the policy as repairs that are required by tenants to existing elements of their property and tenants need to be aware of the arrangements the Council has in place for providing this service.

It was explained that the former 2004 policy was more of a staff training and procedure manual, which included a policy statement and was not intended to provide information for tenants, and as such was not made available on the Council's Internet site. It is intended that the revised policy will be published on the Housing website and will be supported by detailed internal procedures and practices applied uniformly across the Housing service. It will be revised every three years unless there is an earlier change in legislation and will be supported by detailed internal procedures.

The Response Repairs Policy highlights the activities and responsibilities involved in delivering a response repairs service to all Council properties by the in-house Housing Repair Operations team. The report also highlights its commitment to providing an effective and responsive housing repairs and maintenance service in order to ensure high levels of tenant satisfaction along with protecting the value of its housing stock.

Members were advised that the Council, as Landlord, has an obligation to keep its housing stock in a good state of repair and the principles that have been included within the Response Repair Policy document in order to promote the understanding of the Council's legal responsibilities and mutual obligation in relation to response repairs were noted.

During the course of the debate, reference was made to paragraph 3.2.6 of the Policy as it related to landlords lighting and as to how this is monitored in communal areas. The Chief Housing Officer advised that there is a requirement that lighting in communal areas is checked on a weekly basis and those that are reported are dealt with. He indicated that he would investigate the specific query raised by the Member.

Having fully considered the report and the recommendation contained therein, and in taking into account proposals within the rechargeable repair policy, it was moved and seconded that it be recommended to Cabinet that the introduction of a Response Repairs Policy be supported. By a show of hands this was unanimously agreed.

RECOMMENDED to Cabinet that the recommendation of the Caerphilly Homes Task Group to support the introduction of a Response Repairs Policy be endorsed.

## **10. RECHARGEABLE REPAIRS POLICY**

Consideration was given to the report which detailed proposals to implement a Housing Services Rechargeable Repairs Policy for Council tenants, former Council tenants, owner-occupiers and leaseholders. It was noted that this policy is intended to complement the Recharge Procedure which has been in place for many years and provide guidance to staff when recharging for repairs.

Members were advised that the Council as Landlord has an obligation to keep its housing stock in a good state of repair and will do this when repairs are reported, with no cost to the tenant, providing the repair is a Landlord responsibility and is required as a result of fair wear and tear. Tenants have a responsibility to act responsibly and maintain their homes to a satisfactory standard and condition, but when a repair has been identified as not being caused through fair wear and tear, the Council may recharge the cost to the tenant.

It was noted that the overall aim of the Rechargeable Repairs Policy is to contribute to the efficient and effective maintenance of the Council's housing stock. The policy gives information on the definition of rechargeable repairs, the criteria, the cost of repairs, and the monitoring and review process and refers to Section 21 of the Tenancy Agreement which advises tenants of their responsibilities.

It was accepted that the vast majority of Council tenants have not or are unlikely to be recharged for undertaking repairs. However such a policy needs to be in place to deal with the situations where tenants fail to act responsibly and maintain their homes to a satisfactory standard and condition. The reason behind a discount is to try to incentivise tenants to pay the charge in full earlier and for more tenants to pay. A query was raised as to the ability of a person to pay the charge and whether it will be affected by the introduction of the universal credit system. The Acting Director of Corporate Services and Section 151 Officer advised that there will be a report on the roll out of the universal credit system presented in due course, although it is not anticipated that it will affect housing benefit. If there are difficulties, a payment plan can be arranged through Sundry Debtors, if required. It is proposed that a review is undertaken after 6-12 months, as this will enable Officers to assess how successful or otherwise the discount has been to generate higher levels of income and recovery overall.

A query was raised in relation to communication and as to whether tenants are advised of the possible charge when they contact the Centralised Repairs Team. From complaints received by certain Members, this did not always seem to be the case. It was reported that the Team do advise of this requirement (if the repair is not fair wear and tear). When tenants report repairs outside working hours they are advised that if the repair is determined as not being an emergency, a recharge will apply. Some repairs are also pre-inspected and the Officer will advise the tenant at that time. Certain repairs are also post inspected. Once the Policy has been approved it is intended that there will be further training on the specific requirements.

Comments were also made in respect of the rechargeable repairs definition (as detailed on page 69), to the requirement to complete a Declaration of Truth form and to the number of times such can be used. It was explained that where the tenant has reported that the damage to the property occurred as a result of either criminal or anti-social behaviour, the form is required to be returned within 14 days otherwise a recharge will normally be applied. There is no restriction on the number of times this can be used.

With regards to paragraph 7.4 'where the tenant uses the Council's out of hours emergency service due to accidental or criminal damage (not fair wear and tear), the call out charge will be recharged to the tenant, in addition to the cost of any repair undertaken' clarification was sought as to how it is determined whether the damage is accidental or criminal. It was confirmed that there is a requirement to complete a Declaration of Truth form. It was suggested that this paragraph be amended to reflect that the cost of the repair will depend on the damage that has been undertaken as reflected in the Declaration of Truth form.

Reference was also made to notification when works are to be carried out to leasehold properties. The Chief Housing Officer advised that where there are major works as part of the formal process a letter of intent is sent. When details of the works are identified, a further notification under a Section 20 notice is served giving a further 28 days notice of the intended works. In relation to WHQS works, it was requested that detail of works to be carried out are notified to Ward Members. It was explained that in view of the numerous repairs in the different properties it would not be possible to provide such information.

Reference was made to paragraph 7.6 of the Policy, which advised that 'Where a prior appointment has been made with the tenant to carry out a repair and access is not available the tenant will be recharged for the cost of the no access call at the standard rate (no minimum charge applies)'. A query was raised as whether this applies when the Council fail to attend at the appointed time. The Chief Housing Officer advised that the Council operate an appointment system for the majority of response repairs and when a tenant fails to give access at the agreed time a recharge is made. This charge is associated with time taken for the call by the operative, cost of the vehicle etc and is a standard one off charge. In order to ensure fairness, the policy has introduced an agreement that if the Council fail to attend an appointment at the agreed time compensation to the tenant, based on the standard charge, will be considered providing loss of income can be evidenced. It was requested that paragraph 7.6 be amended to reflect that compensation to the tenant will be considered.

It was clarified that the purpose of the Recharge Policy is to reduce expenditure on the repairs service by recovering the costs of repairs, which are not incurred as a result of fair wear and tear and to encourage tenants to maintain the property to an acceptable standard. A query was raised in relation to the amount that is recouped and the action taken to trace those who have left their property without notice. It was noted that recharges for 2013/14 in relation to repairs to void properties amounted to £174k, which relates to 6% of the total expenditure for repairs and whilst every effort is made to trace those tenants who have left without notice, this has not been particularly successful.

With regards to repairs to common areas within flats, it was noted that unless it can be determined who caused the damage, the cost is apportioned to the number of flats in that block.

A query was also raised as to whether there is an inspection policy in place to ensure that the requirements of the tenancy agreement are being adhered to. The Chief Housing Officer advised that there is no policy in place at the moment but that he intended to bring forward a report to a future meeting.

With regards to the role of the Review and Appeals Panel, and the procedure for tenants to follow if they wish to have their recharge reviewed, it was proposed that a Member be included in the proposed representation. In noting the content of the policy (as appended to the report) which detailed the circumstances when a recharge will be made, the cost and how a tenant can ask for a review if they disagree with the recharge being made, it was requested that it be clarified within the Policy that the need to issue a recharge will depend on the damage that has been undertaken and receipt of a Declaration of Truth form.

Members noted that the Policy will be accessible on the Housing website and supported by detailed internal procedures and agreed practices to be applied uniformly across housing.

It was noted that consideration had been given to offering only current tenants a discount of 25% if payment is made within 28 days from the date of the invoice. The Repairs and Improvement Group proposed that this be increased to 50% where payment is made within 35 days from the date of the invoice. It was proposed by the Chief Housing Officer that this should be 25%. This would need to be monitored to determine whether a discount increases the level of income received from these invoices in respect of rechargeable repairs. Members proposed that the trial period quoted of 6-12 months be amended to include 'or at the earliest opportunity'.

Following consideration of the report, and taking account of the views expressed by Members on the content of the document, it was moved and seconded that subject to the amendments proposed during the course of the meeting (and detailed within the recommendation), the following be referred to Cabinet for consideration. By a show of hands and in noting that there was one abstention in relation to recommendations (iii) and (iv) these were agreed by the majority present.

RECOMMENDED to Cabinet that:-

- (i) subject to an amendment to paragraph 7.4 to reflect that the cost of the repair undertaken will be depend on the damage that has been undertaken and receipt of a Declaration of Truth form and paragraph 7.6 being amended to reflect that if the Council fail to attend an appointment at the agreed time compensation to the tenant will be considered, the Rechargeable Repairs Policy be approved and adopted;
- (ii) subject to the addition of a Member in its Membership, the establishment of a Review and Appeals Panel be supported;
- (iii) a discount of 25% be introduced when current tenants make payment within 35 days from the date of the invoice for both rechargeable repairs and end of tenancy repairs;
- (iv) the introduction of a discount be the subject of a review within 6-12 months (or at the earliest opportunity) in order to establish its success in respect of improving the amount of income received for the HRA.

## **11. TREASURY MANAGEMENT AND CAPITAL FINANCING PRUDENTIAL INDICATORS MONITORING REPORT (1ST APRIL 2014 TO 31ST DECEMBER 2014)**

Consideration was given to the report which provided details of Treasury Management activities and Capital Financing, together with the related Prudential Indicators for the period

1st April - 31st December 2014. It also outlined the Treasury Management Strategy for 2014/2015 as set out in the Annual Investment Strategy and Capital Financing Prudential Indicators Report.

With regards to treasury management, the report made reference to the loans administered by the county borough, utilisation of debt rescheduling, long-term investments, short-term investments (deposits), economic outlook, bank tender and the Treasury Management Advisors contract. In relation to Prudential Indicators, it detailed the capital financing requirement, prudential indicators - "Prudence" and "Affordability," and capital expenditure and funding.

A query was raised in relation to short-term investments. The Acting Director of Corporate Services explained that the value of short-term deposits at 31st December 2014 is made up of a spread of periods up to a maximum of three months. The low returns reflect the Council's current risk appetite as well as current interest rates. The Acting Director reminded Members that the Treasury Management Strategy had changed so that investments could be made outside of the debt management office with a little more risk for more return. Reference was also made to internal borrowing and it was noted that due to the current level of interest rates, the difference between long-term borrowing rates and short-term investment rates has given rise to a cost of carry risk. The current policy of internal borrowing is not sustainable in the long-term, but where prudent the policy of internal borrowing will be utilised. With regards to the bank tender, it was confirmed that the contract would be awarded to Barclays.

A Seminar in late Summer/early Autumn would provide updated benchmarking information to determine whether the change in strategy had seen an impact.

Members noted the content of the report and thanked the Acting Director of Corporate Services for responding to the questions and issues raised during the course of the debate.

## **12. REQUESTS FOR REPORTS TO BE INCLUDED ON THE NEXT AVAILABLE AGENDA**

There were no requests for any reports to be prepared for consideration at a future meeting of the scrutiny committee.

## **13. INFORMATION ITEMS**

The Committee noted the following items for information, full details of which were included within the Officers reports. There were no items brought forward for review.

1. Write-off of Debts.
2. Discretionary Rate Relief Applications.
3. Corporate Health and Safety Committee Minutes – 13th November 2014.
4. Caerphilly Homes Task Group Minutes – 11th December 2014.
5. Pensions/Compensation Committee Minutes – 12th January 2015.
6. Non-Domestic Ratepayers Consultation Meeting Minutes – 3rd February 2015.
7. Summary of Members Attendance – Quarter 3 – 1st October 2014 to 31st December 2014.
8. Policy and Resources Scrutiny Committee Forward Work Programme.

The meeting closed at 19.15 pm.

Approved as a correct record and subject to any amendments agreed and recorded in the minutes of the meeting held on 14th April 2015, they were signed by the Chair.

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CHAIR