

CARTREFI CYMUNEDOL GWYNEDD's (CCG's) ANNUAL REPORT (2012/13) TO GWYNEDD COUNCIL

Report for	Information and discussion	
Date	15th October 2013	
Item		Paper
Author	Ffrancon Williams, Chief Executive	
Purpose	To present CCG's annual report to Gwynedd Council's Communities Scrutiny Committee	
Financial implications	Not applicable	
Risk management	Low	
Appendices	None	

1.0 Introduction

- 1.1 As noted in the Transfer Agreement, CCG is required to submit an annual report to the Council as to how it is implementing the promises made to tenants in the Offer Document and obligations under the Agreement.
- 1.2 This report serves this purpose, and covers CCG's third year of operation from 1st April 2012 to 31st March 2013.

2.0 Scope

2.1 The scope of the report covers the following areas:

1. Delivery of offer document promises
2. Welsh Housing Quality Standard (WHQS) investment works
3. Consultation arrangements with tenants
4. Obligations under the Agreement (Nomination and Housing Agency Agreements, Service Level Agreements and Housing Benefit Protocol)
5. Elected Members' protocol
6. Partnership working on strategically important housing items
7. Other operational matters

Most of the above points are discussed in detail at regular monitoring meetings with the Council held every quarter. Consequently, this report is not intended to repeat the level of detail previously presented, but rather to summarise key successes in the period and highlight areas of activity that did not go quite as well as was hoped and inform members of challenges faced in the coming year.

3.0 Delivery of offer document promises

- 3.1 The Offer Document to tenants "Your Home, Your Choice" consisted of 170 promises. As at 31st March 2013, a total of 116 (69%) of the promises had been successfully delivered with the remaining promises on track to be achieved by 2015.

3.2 Key successes:

1. The successful stabilisation of CCG's service providers ensured that progress towards achieving WHQS remained on course for 2015. CCG continued to ensure that the WHQS improvement programme provides local labour and training opportunities. As at 31st March 2013, 65% of the labour employed on the improvement programme lived in Gwynedd itself, 89% living in North Wales.
2. The Targeted Recruitment and Training unit, formed as a part of the commitment to ensure that the WHQS improvement programme provides employment and training opportunities locally, received national recognition by winning a Chartered Institute of Housing (Wales) Award. The work of the unit has helped facilitate the employment of 64 trainees including 45 apprentices on the WHQS programme as at the end of March 2013.
3. All CCG's service providers have now bought into the concept of putting something tangible back into the community with in excess of 40 community benefit schemes having been provided by them.
4. CCG has consulted effectively with leaseholders on the programmes of work that will affect them, offering support and help on understanding the costs that they will incur as a result of improvements to their properties.
5. The CCG Community Investment Fund supported a total of 44 community based organisations to develop a range of projects across the Gwynedd area – the total grant awarded by CCG was £284,606. This helped the organisations secure a further investment of £2.1 million in the community projects through 'match funding'.
6. The implementation of the Customer Services project improved the way CCG deals with tenants choosing to make contact over the telephone. The project led to the establishment of an integrated Call Centre where members of the team are on hand to respond to tenants requests for services and enquiries. The target for the team over the next three years is to deal with 90% of enquiries at the first point of contact. Also during the year and as a part of the project, 94% of CCG's staff attended Customer Services training based on the key message of being "True to our word".
7. Following a root and branch review of Health and Safety arrangements, CCG now has in place an integrated Health, Safety, Quality and Environment (HSQE) system designed to better manage health, safety and environmental issues and to ensure consistency and quality in all our processes.
8. The Board commissioned external consultants to undertake a review of the Repairs and Maintenance Service. This resulted in the development of an options appraisal on the future of this key service area. The Board then agreed to undertake a transformation project in order to bring about significant service improvements through a structure and management review and the embedding of a performance led culture within the service area.
9. The implementation of the Common Housing Register, in partnership with other local Social Housing providers and the Local Authority, saw the transfer of responsibility for managing the Housing Register (Waiting List) to the newly established Housing Options Team hosted within Gwynedd Council.
10. The first tenant profiling exercise was undertaken successfully; CCG has now profile data for approximately 70% of its tenants. The data is used to ensure that services are tailored according to the needs of tenants. It has also assisted in identifying those tenants most affected by the Welfare Reform Act.

3.3 Challenges in the year ahead:

1. To increase the outputs of the WHQS investment programme to the required levels to ensure promises made will be delivered.
2. To retain key staff within the WHQS programme employed on fixed term contracts
3. To continue to implement those changes identified in the change programme to establish a customer focused and accountable culture within the organisation.
4. To implement the required changes to the Repairs and Maintenance Service and embed a customer focused and performance led culture within it.
5. To achieve accreditation for the HSQE system.
6. Achieve improved performance in relation to turnaround time and costs in relation to empty properties
7. To produce a development strategy that defines CCG's aspirations towards New Build within the constraints of its business plan.

4.0 Welsh Housing Quality Standard (WHQS) investment works

- 4.1 Members will recall that CCG has adopted an innovative procurement strategy whereby the total WHQS investment works was divided into two parts; approximately 50-60% tendered under OJEU procurement rules likely to attract a main contractor to manage the works, and 40-50% tendered under more traditional "non-OJEU" arrangements likely to attract more local (SME) companies. All contracts incorporated principles of the i2i Can Do Toolkit for Targeted Recruitment and Training to maximise the benefit of this significant investment in housing to the local economy through the provision of new jobs, training opportunities and opportunities for local businesses in the delivery of the WHQS programme.

In respect of the main contractor OJEU Tender, the Lovell Partnership was appointed for 50-60% of the work on Internal and External Programmes with 40-50% going to the Trade Contractors. Of the original Trade Contractors appointed, GM Jones and Falconer continue to work on the Internals, EWE and Gelli Civil Engineering on the Externals and PH Jones on the heating programmes. These Trade Contracts are labour only contracts with Symphony and Travis Perkins continuing to supply CCG with kitchens and materials.

- 4.2 The stabilisation of CCG's Service Providers during the year resulted in significantly more investment work taking place on site with capital expenditure of £28.8m being achieved compared to £16.7m in the previous year of operation. Although this was an increase of £12.1m on the previous year's expenditure, it was still approximately £4.7m short of planned expenditure and the reasons for this shortfall are expanded on in section 4.6.
- 4.3 Table 1 below shows CCG's Service Providers, the type of work contained within the contracts and progress to 31st March 2013 under the respective task orders. Members should note that work is issued to the Service Providers under the contract in batches contained within task orders, and that completion dates for these task orders vary and do not always coincide with the March year-end. Further

task orders may be issued to the Service Providers dependent on their performance being satisfactory.

Table 1 : CCG's Service Providers

Contract Work Package	Contractor	Property Completions	% of Task Order completed at 31/03/13	Position Statement
Windows & Doors	Nationwide	3,847	98%	Progressing satisfactorily. Programme will be completed June 2013.
Main Internal Programme	Lovell	1383	71%	Progressing satisfactorily. Programme will be completed Sept 2014.
Main External Programme	Lovell	294	31%	Progressing satisfactorily. Programme will be completed Sept 2013.
Heating	Lovell	545	100%	Programme Complete but subject to Final Account adjustments.
Loft Insulation	Lovell	2,682	84%	A 'mop up' scheme is currently being planned for remaining 16%
Trade Internals	G M Jones	769	71%	Progressing satisfactorily. Programme will be completed March 2014.
Trade Electrical	Falconer Electricals	618	53%	Progressing satisfactorily. Programme will be completed March 2014.
Trade Heating	PH Jones	747	64%	Progressing satisfactorily. Programme will be completed September 2013.
Trade Roofing and walls	Evans Wilson & Evans	391	84%	Progressing satisfactorily. Programme to be completed June 2013
Trade Fencing & Paving	Gelli Civil Engineering	755	74%	Progressing satisfactorily. Programme to be completed April 2013
Supply Chain Bathrooms & Materials	Travis Perkins	3,280	100%	Progressing satisfactorily. Now supplying for 13/14 address lists
Supply Chain Kitchens	Symphony	2,152	100%	Progressing satisfactorily. Now supplying for 13/14 address lists

4.4 Table 2 below indicates CCG’s compliance with the WHQS by component as at 31st March 2013. These are the figures presented to Welsh Government as part of their annual WHQS monitoring arrangements. As the WHQS investment programme continues, the compliance level naturally increases.

Table 2 : Stock compliance with the WHQS by component, at 31st March 2013

	Component	Stock at 31/03/13	Fully compliant* stock for given component at 31/03/13	Compliant* stock for given component subject to acceptable fails at 31/03/13	Non-compliant* stock for given component	Percentage fully compliant*/ compliant* with acceptable fails for given component	Expected year of full compliance for all stock for given component
1.	Roofs & components	6291	3705	3	2583	59%	2015
2.	Windows	6291	6257	8	26	100%	2013
3.	External doors	6291	6067	28	196	97%	2013
4.	Kitchens	6291	3115	421	2755	56%	2015
5.	Bathrooms	6291	3017	418	2856	55%	2015
6.	SAP Rating ≥ 65	6291	1688	0	4603	27%	2015
7.	Central heating system	6291	5208	346	737	88%	2015
8.	Electrical systems	6291	3296	300	2695	57%	2015
9.	Mains smoke detectors	6291	5740	75	476	92%	2015
10	Gardens and external storage up to and including the boundary of the property	6291	2081	32	4178	34%	2015

*=compliant properties includes any properties where a particular element of WHQS is not applicable and hence not assessed

4.5 Key successes:

1. The successful launch of CCGs HSQE system significantly raised the profile of Health, Safety, Quality and the Environment with all WHQS staff and service providers.
2. The contractor capacity base has settled down with our remaining Service Providers now well established with CCG (and delivering good volumes and performance) as follows:

Contract	Internals	Externals	Fencing / Paths	Heating
Main	Lovell	Lovell	N/A	N/A
Trade	GM Jones / Falconers	EWE	Gelli	PH Jones
Supply	TP / Symphony	Travis Perkins	Travis Perkins	Travis Perkins

3. It is worth noting the following has been achieved in the 2012/13 financial year by CCGs Service Providers:
 - WHQS spend on Internals and Heating for 2012/13 increased by 46% compared to the same period last year and resulted in the following completions in the period:
 - a. 1,678 Kitchens improved
 - b. 1,710 Bathrooms Improved
 - c. 1,220 Heating Installations
 - d. 1,474 Rewires
 - At the 31st March 2013, 426 employees were engaged on the WHQS programme and of these employees:
 - a. 379 (89%) live in North Wales
 - b. 278 (65%) live in Gwynedd
 - c. 287 (67%) are Welsh Speakers
 - d. 64 were Trainees including 45 Apprentices
4. There have now been over 40 separate Community Benefit Initiatives of varying degrees and value.
5. Tenant Satisfaction levels with the WHQS works are high with over 86% of tenants being satisfied with works in 2012/13.
6. The investment in recruitment and training opportunities continued to be a success with 64 trainees working across all schemes including 45 apprentices as at 31st March 2013.
7. The Supply Chain process is fully embedded with Travis Perkins supplying bathrooms and materials for both the WHQS programme and the Repairs and Maintenance service with Symphony continuing to supply Kitchens, both achieving high levels of performance.
8. Tenants have continued to be fully involved in all key strategic decisions associated with the WHQS Investment Program through their involvement in the WHQS Tenants Forum.

4.6 Things that did not go quite so well:

1. The level of no access to properties and tenant refusals continued to be problematic.
2. The recruitment to key posts on the Asset and Investment side was again problematic despite several attempts to fill the posts and a number of posts were unfilled for a period of 2012/13 but almost all posts are now filled.
3. Lovell's performance was not at acceptable levels for a period of time and the programme was stopped due to non-conformance in respect of Asbestos Management. The programme was restarted after full evaluation and acceptance of revised working practices.
4. The slow start and reprogramming of the External, Non Traditional and Maes Barcer programme of works with Lovell.

5. The combination of points 1 to 4 above has resulted in less work delivered than programmed and resulted in the approximate £4.7m shortfall on the programme.
6. The turnaround time for those empty properties brought up to WHQS was slower than anticipated for a variety of reasons.

4.7 Challenges in the year ahead:

1. Achieving CCG's 2013/14 expenditure target and outputs whilst ensuring tight control of the contracts to ensure they are delivered within the constraints of the business plan.
2. Achieving accreditation for the HSQE system.
3. To retain key staff within the WHQS programme employed on fixed term contracts. In this regard, dealing with the opportunity the transformation of the Repairs and Maintenance service brings in relation to staff movements and ensuring that gaps in resources are identified and filled.

5.0 Consultation arrangements with tenants

- 5.1 The new tenants and residents' consultation framework has continued to develop during the year, with all groups and forums established and meeting on a regular basis.

The year saw the role of each forum and forum members' progress, as they became more involved in making key decisions and influencing the development of CCG services.

1. **The Tenants and Residents Partnership** – Members found their role as the lead tenant body become even more important and played a key role in influencing key policies and working practices that were developed or reviewed during the course of the year.
2. **Tenants Forums** consisting of:
 - 2.1 **WHQS Delivery Forum** – members continue to work closely with CCG in every aspect of the improvement programme and monitor contractor performance. The Forum meets monthly and members have attended site visits and scrutinised numerous reports and policies.
 - 2.2 **Quality Customer Service Forum** – looks at individual services to ensure they focus on customer needs. During the year, members scrutinised and had an input into the development and shape of various policies and procedures before they went before the Board.
 - 2.3 **Community Benefit Forum** -ensures that CCG's activities work towards achieving the goal of improving communities. The Forum played a key role in establishing CCG's Community Investment Fund and continues to monitor its progress and performance.
 - 2.4 **Communication Forum**-looks at all communications with tenants including the newsletter, letters, website content and information leaflets. The Forum was responsible for reviewing and redesigning the tenant newsletter and contributed various articles to the new 'tenants

voice' page.

2.5 **Repairs and Maintenance Group**- looks specifically at the maintenance service. This was the least active group during the year. However, a work programme was developed to review the tenant inspector programme, which will be implemented during 2013/14 following the restructuring of TîmTrwsio.

3. **Customer Panel** – attending meetings is not everyone's cup of tea, so this panel was established to give tenants a chance to have their say from the comfort of their home, over the phone, via email or using short questionnaires. The panel has gone from strength to strength. By the end of March, the panel had over 150 tenant members and subsequently increased to over 200 by September 2013, to which CCG consult with on a quarterly basis. The recent consultation topics included Customer Care, Communication on the WHQS Improvement works, Grass Cutting and Communal Cleaning Contracts and offering a Saturday morning repairs service.
4. **Surgeries** – a number of local surgeries held by our community wardens continue to give tenants a chance to talk to somebody about issues that concern them.
5. **Shareholders** – Shareholders were invited to CCG's AGM in September 2012. All tenants have the right to apply to become shareholders and have the right to vote at the meeting. As of the end of March 2013, CCG have a total of 45 shareholders – with the development of the Participation Menu this figure is set to rise over the coming year.

5.2 Key successes:

1. **Local Tenant Participation Strategy 2012-15**- 2012 saw CCG launch its first Local Tenant Participation Strategy (LTPS) for 2012-2015. The strategy was developed by the LTPS Steering Group, made up of tenants, residents, Board member representatives and CCG staff. The group continues to meet on a quarterly basis to monitor progress made against the LTPS action plan. One of the main developments made against the action plan is the appointment of nine Tenant Champions, consisting of staff from all service areas of CCG. The Tenant Champions will play a vital role in our efforts in mainstreaming tenant participation across the organisation.
2. **Community Investment Fund**- During 2012/13, a total of 47 groups received over £280k in grant support towards various schemes/projects. Groups across the whole of Gwynedd have benefited from this financial support with grants awarded to fund various projects such as staging new events, training initiatives, improving facilities and environmental improvement schemes. By the end of 2012/13, the fund had managed to attract over £2.1m of additional investment in Gwynedd from other financial resources, providing further investment to the county.
3. **Training**- Forum members attended the TPAS Annual Conference in November 2012 and have taken part in various training workshops such as

how to ensure meetings are effective. Our tenant and residents forums have participated in training needs assessments carried out by TPAS Cymru to identify any training needs and development opportunities. This in turn will lead to developing a continuous training programme, which will empower staff and tenants to carry out their duties as forum members to their full potential.

4. **Visiting new locations-** the Tenants and Residents Partnership and Forum meetings were held in various locations around Gwynedd, both in rural and urban areas, making participation opportunities more accessible to tenants across the whole of Gwynedd. Locations included Bangor, Caernarfon, Pwllheli, Porthmadog, Penrhyndeudraeth and Dolgellau.
5. **Community Involvement-** CCG teamed up with various partners to deliver projects, which included digital inclusion and energy advice and awareness sessions.
During 2012/13, we continued to support our Junior Warden Scheme targeting children aged between 9-10 years old, which aims to improve community safety and reduce anti social behaviour within our communities.
6. **Consultation exercises** - during January 2013, CCG distributed environmental questionnaires to our customers in order to identify the need for any improvements to the areas surrounding their homes. The feedback received allowed us to shortlist a number of proposed improvement plans which would be carried out under the WHQS Environmental Improvements Programme. Consultation on the proposed plans with residents of each estate was carried out through an estate visit programme during Summer 2013. CCG also carried out a consultation exercise with our **leaseholders** specifically on dealing with major works to their properties and the contents of a leaseholders handbook, which is being produced.

5.3 Challenges in the year ahead:

These include engaging with hard to reach groups and maintaining interest and involvement of our current members and achieving a good mix of representative tenants from throughout the County. CCG is continuously campaigning for new members and looking at different methods to attract tenants and residents to engage with us. Ensuring that CCG deliver on the actions made within the Local Tenant Participation Strategy will be vitally important in this regard, with one of the challenges being the mainstreaming of tenant participation across CCG.

6.0 **Obligations under the Agreement (Nomination and Housing Agency Agreements, Service Level Agreements and Housing Benefit Protocol)**

6.1 Nomination and Housing Agency Agreement

The Gwynedd Common Housing Register was implemented on the 10th September 2012, the arrangements under this Partnership Agreement replaced the Nomination and Housing Agreement. The Housing Options Team within Gwynedd Council is now responsible for managing the Common Housing Register in accordance with the Common Allocations Policy. An initial formal service review will be undertaken

during October 2013.

6.1.1 Key successes:

1. Successful working in partnership ensured the delivery of the Common Housing Register, Common Allocations Policy and Housing Options Team and the good working relationship has continued.
2. A good working relationship has been maintained with the Homelessness team (and other Housing staff) in the Council and CCG has worked with them on their System Thinking process.
3. Good working relationships have also been maintained with other Housing Associations.

6.1.2 Things that did not go quite so well:

1. As expected, introducing a new system brought operational challenges to all parties involved. These issues were identified and are to be addressed through joint training sessions to include all members of the partnership in the coming year.

6.1.3 Challenges in the year ahead:

The initial Service Level Agreement will be reviewed during the course of the year. This will include reviewing and agreeing outputs and outcomes. All partners will be working very hard to ensure the effective allocation and use of Gwynedd's housing stock and further improving working relationships to deliver an effective allocations service.

6.2 Service Level Agreements

The following Service Level Agreements (SLA's) were entered into between CCG and the Council at point of transfer (12/04/10). The initial duration of the SLA is noted in parenthesis.

1. Grounds Maintenance Services (2 years)
2. ICT support (Wide Area Network provision and support and Application Support – Geographical Information System (GIS) (3 years)
3. Legal Services (2 years)
4. Pest Control Services (3 years)
5. Payroll Services (3 years)
6. Highway Safety Inspections Service on Unadopted Highways (3 years)
7. Fleet Maintenance Service (2 years)
8. Environmental Health Inspection Services (3 years)
9. Drainage Services (2 years)
10. Cleaning Services (2 years)
11. Closed Circuit Television System (CCTV) Services (2 years)
12. Street Lighting Services (3 years)
13. Community Warden Service (3 years)

The term of those SLA's of 2 year duration was extended by a further 12 months and a corporate project set up to review all SLA's and re-tender, as required during 2012/13.

6.2.1 Key successes:

1. All the SLA's were subject to an option appraisal during the 2012/13 year, the results of which is summarised below for each SLA:
 - 1.1 Grounds Maintenance Services – current arrangements with Gwynedd Council extended to April 2014 with enhanced Client management arrangements put in place
 - 1.2. ICT support (Wide Area Network provision and support and Application Support – Geographical Information System (GIS) - current arrangements with Gwynedd Council extended to April 2014 with enhanced Client management arrangements put in place
 - 1.3. Legal Services – decision taken to bring Legal Services in house by October 2013. Gwynedd Council agreed to continue to provide services to this point.
 - 1.4. Pest Control Services – current arrangements with Gwynedd Council extended a further 3 years to April 2016.
 - 1.5. Payroll Services – Gwynedd Council awarded the service following open tender for a further 3 years to April 2016.
 - 1.6. Highway Safety Inspections Service on Unadopted Highways – decision taken to bring services in house from April 2013.
 - 1.7. Fleet Maintenance Service – decision taken to re-tender services subject to OJEU process due to complete by April 2014. Arrangements agreed with Gwynedd Council to continue to provide services up until results of OJEU tender are known.
 - 1.8. Environmental Health Inspection Services – services no longer required as a result of Common Housing Register now being run by Gwynedd Council.
 - 1.9. Drainage Services - current arrangements with Gwynedd Council extended for a further 3 years to April 2016 with enhanced Client management arrangements put in place.
 - 1.10. Cleaning Services – decision taken to re-tender services. Following OJEU process, Gwynedd Council retained contracts for Dwyfor and Meirionydd areas but Bangor and Arfon areas awarded to SuperClean.
 - 1.11. Closed Circuit Television System (CCTV) Services - current arrangements with Gwynedd Council extended for a further 12 months

to April 2014 with enhanced Client management arrangements put in place

1.12. Street Lighting Services - current arrangements with Gwynedd Council extended for a further 3 years to April 2016 with enhanced Client management arrangements put in place.

1.13. Community Warden Service – the previous (reverse) SLA was replaced with a 12 month “rolling SLA” focusing on the Council’s statutory obligations towards homelessness. The emphasis changed so that CCG’s Community Wardens support homeless applicants residing in CCG properties on a temporary basis, as well as monitoring the first 12 months of all starter tenancies to help those tenants maintain their tenancies.

6.2.2 Things that did not go quite so well:

1. The review of SLA’s took longer than expected, with some responses from Gwynedd Council taking longer than expected to be returned to CCG.

6.2.3 Challenges in the year ahead:

1. New Client management arrangements are now in place on all SLA’s be they with new service providers or extensions of service with existing providers. Effective management of these arrangements will be required which may prove challenging for CCG and for the service providers given the new emphasis on performance management.

6.3 Housing Benefit Protocol

Smooth and prompt payment of Housing Benefit is critical to CCG’s income stream and the Housing Benefit Protocol sets out commitments for the Council and CCG to work together to achieve service levels and standards for the processing and administration of housing benefit for CCG’s tenants.

6.3.1 Key successes:

1. CCG worked effectively with the Housing Benefits Team in preparing for the introduction of the under occupancy charge and also worked closely with the Council’s Welfare Reform Task Group.
2. Any ad-hoc queries or discrepancies are dealt with promptly
3. Good working relationships continue between CCG and Council staff involved in the Housing Benefit processing, as well as between the Finance and IT teams.

6.3.2 Challenges in the year ahead:

1. The key challenge during the year ahead will be to continue to maintain the good working relationship with Gwynedd Council Revenues Department and to liaise and share information with them to respond to further Housing

Benefit (HB) changes linked to the Government's Welfare Reform measures. It is imperative to ensure a close working relationship so as to foresee and respond to any issues that may arise from the Welfare Reform changes due to there being a high risk of a potential reduction in income to CCG from these changes.

2. Further changes linked to Welfare Reform and Universal Credit, changes to Council Tax benefits, and co-working to maximise Discretionary Housing Benefit payments to CCG tenants will be high on CCG's agenda during the course of the coming year.

7.0 Elected Members protocol

7.1 Members will be aware of the elected members' protocol, which introduced at point of transfer a single point of contact within CCG for members. All members' requests (except those of a day-to-day maintenance nature) are logged, actioned and monitored within CCG with the aim of providing an improved and more responsive service to members.

7.2 Key successes:

1. It was initially identified that the members' protocol was managed effectively in terms of dealing with enquiries and providing feedback. However, it proved to be more of a challenge to follow up on all enquiries to ensure all promises had been kept and arrangements adhered to. In order to improve on this, additional resources were provided and CCG are now in a better position to be able to follow up on enquiries and update members more effectively.
2. Valuable management information is provided through the enquiries presented by members. This information is discussed frequently at management level and used to identify areas of concern and ensure lessons are learnt and actions put in place to ensure service improvements across the company.
3. CCG has recently implemented a system that enables officers to log telephone calls with customers. This will further improve the way CCG log and monitor contact with members.

7.3 Things that did not go quite so well:

1. The Common Housing Register was established in September 2012 and there was some initial confusion around who was responsible for what and where enquiries should be directed. This has improved significantly and should improve further with the joint training events that are being planned for the coming year for all partners.

7.4 Challenges in the year ahead:

In order to continue to deliver on the members' protocol's expectations, the main challenge for CCG is to establish a customer focused, empowering and accountable culture within the organisation.

8.0 Partnership working on strategically important housing items

CCG is a member of the Gwynedd Housing Partnership and has taken an active part in several strategically important housing issues, such as:

1. **Implementing the Common Housing Register, Common Allocations Policy and Housing Options Team** – as noted earlier in the report the Common Housing Register and Housing Options Team commenced in September 2012. CCG are committed to ensure that this project is a success, offers an effective service to manage Gwynedd's social housing stock, and also offers applicants a range of suitable options to meet their housing needs.
2. **Homelessness**—CCG continued to provide a number of its properties for the Council's use to house homeless applicants on a temporary basis to assist with the Council's statutory obligations.
3. **Local employment** – since transfer when 170 members of staff were TUPE'd across from the Council, CCG has increased the number of staff further and, as at 31st March 2013, employed a total of 292 staff. It is anticipated that this number may increase further during the coming year as the WHQS investment program hits its peak. In addition, several other local employment opportunities have been secured through CCG's WHQS service providers (see Section 4 above)
4. **Provision of affordable housing** – CCG had submitted a number of specific development sites for inclusion in the Council's 2011-2014 Programme Development Plan (PDP). These were initially placed on the reserve list due to re-prioritisation of the 2011-2014 PDP following strategic decisions taken by the Council, but changes during the year have now brought some of CCG's schemes forward.
CCG are pleased to report that we intend to embark on our first new build scheme during 2013/14 at Pwllheli with a further scheme at y Felinheli proposed for 2014/15. These schemes have been included in Gwynedd Council's Programme Development Plan and are eligible for social housing grant. Discussions continue with the Council regarding other development opportunities.
5. **Older People's Strategy** –
 - i) CCG completed a review of part of its sheltered housing stock, which was difficult to let, and submitted a number of recommendations to its Board. Two sites at Tre Gof, Caernarfon and Llain y Maen, Blaenau Ffestiniog have been re-categorised as non-sheltered although priority will still be given to applicants meeting the sheltered criteria when allocating these properties. Architects have been commissioned to develop scheme specific plans based on preferences identified during earlier consultation exercises and progress is expected on most schemes during the course of this year

- ii) Following a successful pilot project in the Bethesda area, CCG's Board approved recommendations to adopt a revised model for delivering sheltered warden services for the Maes y Garnedd estate in Bethesda and agreed to consider opportunities to modernise the service on other estates, as appropriate. This will allow the warden service to be delivered to the appropriate tenant who will benefit from the Supporting People Outcome based Service without having to transfer to a Sheltered Housing Scheme. Elderly, vulnerable tenants living in general housing stock will be eligible for this service following a joint assessment of needs between Gwynedd Social Service and CCG Sheltered Housing Co-ordinators.
- iii) CCG participated in the Sheltered Housing Working Group, which involved joint working with Gwynedd Council's Strategic Housing Team and other local housing associations to plan for the future of accommodation for the County's elderly population.

6. **Disabled Adaptations** - CCG developed an Adaptations Policy to provide a more efficient adaptations service which better meets the long term needs of our tenants and enables them to continue to live independently in their homes for as long as possible. An Adaptations Panel was set up jointly with the Council to implement the policy. The Panel ensured consistency of funding decisions and prioritisation and enabled improved management of the housing stock available and available funding for adaptations.
7. **Welfare Reform** – CCG were pleased to contribute to the multi-organisational task group hosted by the Council with the aim of preparing the people of Gwynedd for Welfare Reform.

Close working with relevant departments of the Council has taken place on all these initiatives.

9.0 Other operational matters

9.1 Supporting People

During 2012/13 CCG worked closely with the Council's Supporting People team to provide the new evidence required under the revised all Wales requirement for Supporting People services. Work has been on going to remodel the older people services to ensure services are provided according to need, and not just because a tenant lives in a property that is nominated for such a service. Work has been undertaken to agree new contracts that will start from April 2013. The Warden Service and Call Bell contract is now based on a block grant contract.

CCG is concerned about the future of the supporting people grant, as there is talk of further reductions in this grant. This is a particular worry for CCG's ageing tenants, and new vulnerable tenants who benefit from the supporting people 'floating support' service which helps them develop the skills they need to sustain their tenancies and in so doing, reduce the cost of services they would otherwise require from the Council.

9.2 **Welsh Government's (WG's) new Policy for Social Housing Rents**

Members will recall from last year's annual report that CCG responded to the consultation on Welsh Government's revised proposals for a new policy for social housing rents in Wales. The aims of the policy were to introduce a new national rent structure based on transparent and evidence based criteria, which achieves convergence between Local Authority and Housing Association providers and does so within the current national rent envelope whilst protecting tenants from excessive rent increases as a result of the policy.

Whilst the revised policy reduced the detrimental impact on CCG's income, there remained concerns regarding its implementation, which was expected in April 2013.

Fortunately, that policy was not implemented in April 2013 and CCG await further information from Welsh Government regarding the latest timescale for its implementation.

9.3 **Rent/Income Management Collection**

The level of rent arrears and income collected was maintained at similar levels to the previous year. The arrears total as a percentage of current tenants' rent collectable stood at 1.85% for the 2012/13 financial year compared with 1.86% for the previous year.

CCG increased staffing resources within the rental income team in anticipation of the impact of the Government's Welfare Reform and changes to the Housing Benefit System, which commenced in April 2013. Monitoring the impact of Welfare Reform is a priority area for CCG in the year ahead.

9.4 **Empty (void) properties**

During the year, CCG implemented the decision taken to bring empty properties (excluding non-traditional and sheltered properties) up to the Welsh Housing Quality Standard during the void period. Whilst this led to improved customer satisfaction amongst tenants moving in to void properties, a combination of factors influenced a poorer than anticipated average turnaround for this important key performance indicator at year-end. This is a high priority for CCG to resolve during the 2013/14 Financial Year.

9.5 **Direct Labour Organisation (DLO) Review**

Northgate Public Service Solutions conducted a detailed review of the Repairs and Maintenance Service and reported their findings to CCG's board in January 2013. The board agreed to retain the Repairs and Maintenance Service in house subject to the implementation of a transformational improvement plan to provide a modern, customer focused and cost effective service. The timescale for implementing the plan is 18 months. This is a key priority area for CCG in the coming year.

9.6 Health, Safety, Quality and Environment (HSQE)

A root and branch Health and Safety review of the whole organisation was carried out on behalf of CCG by E C Harris Consultants and reported on during the year. This led to a series of improvements and the implementation of an integrated Health, Safety, Quality and Environment (HSQE) system designed to better manage health, safety and environmental issues and to ensure consistency and quality in our processes. CCG hope to achieve accreditation for this system in the near future.

9.7 Regulation and Governance

9.7.1 Housing Association Regulatory Assessment (HARA)

Part 2 of the Housing (Wales) Measure 2011 (the Measure), which amends Part 1 of the Housing Act 1996 gives powers to the Welsh Ministers to regulate Registered Social Landlords (RSL's) in Wales. The measure provides the Welsh Ministers with enhanced regulatory and intervention powers.

The Housing Association Regulatory Assessment (HARA) undertaken by the Housing Regulation Team on behalf of the Welsh Ministers follows a risk-based approach to regulation and seeks to identify strengths and areas for improvement in meeting the 10 Delivery Outcomes as set out in the Framework for Housing Associations Registered in Wales (the Framework).

The Framework outlines the need for Housing Associations in Wales to prepare a Self Assessment (SA) Report that is to be shared with the regulator. The purpose of the SA is to give the Board's overall view of how the Association is performing against the Delivery Outcomes.

Having shared CCG's first SA report with the regulator at the end of February 2012, the HARA was conducted during October and November 2012.

Following the HARA, CCG was assessed as requiring;

'medium level of regulatory engagement'

The Board felt that the conclusions of the HARA were a fair reflection on CCG and provided focus for the areas for improvement to be prioritised going forward.

9.7.2 Financial Viability Assessment

The Welsh Ministers have powers under section 33A of the Housing Act 1996 to regulate RSLs in Wales in relation to the provision of housing and matters relating to governance and financial management. Regulatory assessments undertaken follow a risk based approach, which seeks to make a judgement relating to the financial viability of the Association.

Following the Welsh Ministers' review they concluded that CCG's Financial Viability Judgement as at 28 March, 2013 was;

“Pass” – defined as that the Association has adequate resources to meet its current and forecasted future business financial commitments.

The Board considered this to be a positive result that reflects well on an organisation of CCG's maturity.

9.7.3 CCG's board membership

CCG's board consists of 12 members consisting of 4 tenants, 4 independent members and 4 elected members nominated by Gwynedd Council. During the 2012/13 year:

- i) one tenant member stepped down and was replaced by another tenant member
- ii) one new elected member was put forward by Gwynedd Council following the local elections in 2012, and
- iii) CCG continued to experience difficulties recruiting an independent member to the vacant seat on the board.

9.8 **Performance Management**

As part of CCG's quest to establish a customer focused, empowering and accountable culture within the organisation, CCG invested in performance management software, Covalent. This became operational in the period and provides a solid foundation to manage performance at a corporate level linking aims and objectives within the Corporate Plan, individual Service Improvement Plans and Risks etc. These links will be further developed in the next financial year to align individual staff member's objectives and their performance targets. A corporate project was launched in the period to ensure achievement of these aims within the next financial year.

9.9 **Programme Management**

In order for CCG to properly manage its organisational development agenda, a programme management approach has been adopted. This allows for numerous projects (e.g. Welfare Reform, Customer Care, Performance Management etc.) to be effectively managed and resourced. The approach has proved very successful in the delivery of multiple projects to time and ensuring adequate resources for their delivery.

9.10 **Customer Care**

Specific focus was given to improving customer care during the year which led to the development of an integrated call centre where dedicated staff are on hand to respond to tenants' requests and service enquiries. It is acknowledged that we have not reached the satisfaction levels that we aspire towards but we are

committed to continuously improve this very important aspect of our services.

10.0 Conclusion

CCG's third year in operation has seen a welcome stabilisation amongst CCG's service providers leading to a significant increase in the WHQS investment works taking place on site. WHQS expenditure increased to £28.8m in 2012/13 compared to £16.7m in the previous year.

It is also very pleasing to see CCG's staff numbers grow to 292 employed at the end of March 2013. This, together with the large number of people either living in Gwynedd or within its catchment area being employed by CCG's WHQS Service Providers and the high number of trainees employed delivers on CCG's strategic objective of maximising the benefit of the WHQS investment to Gwynedd's economy.

However, the expenditure did fall short of our forecasted expenditure for the year by some £4.7m for the reasons noted in the report, but CCG remain confident that this shortfall can be recovered by the end of the investment programme in March 2015.

As more and more tenants benefit from the WHQS improvement work and, as a result of some of the changes to the services we have made, our customers' experience of CCG continues to improve. However, there remains a lot of work to do, not least of which being to continue to change the way we work and establish a customer focused, empowering and accountable culture within the organisation. This is particularly true of our repairs and maintenance service, which will be subject to implementation of the transformational improvement plan during the coming year.

Responding to the impact of Welfare Reform, maintaining WHQS outputs to the required levels whilst retaining staff on fixed term contracts, continuing to improve services - in particular the repairs and maintenance service –and producing a development strategy that defines CCG's aspirations towards New Build within the constraints of its business plan are priorities for CCG during the coming year.