

CARTREFI CYMUNEDOL GWYNEDD's (CCG's) ANNUAL REPORT (2011/12) TO GWYNEDD COUNCIL

Report for	Information and discussion		
Date	4 th October 2011		
Item		Paper	
Author	Ffrancon Williams, Chief Executive		
Purpose	To present CCG's annual report to Gwynedd Council's full Council meeting		
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 second year of operation from 1st April 2011 to 31st March 2012.

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 2012 a total of 102 (60%) of the promises had been delivered and a further 49 showed progression towards their delivery, with the remaining promises included in Service Improvement Plans.

3.2 Key successes:

1. CCG was able to ensure that the WHQS improvement programme provides local labour opportunities, which was regarded as core to the promises made.
2. The introduction of Adaptations Panels to review tenants’ adaptation requirements on a case by case basis has resulted in a reduction in the backlog of outstanding requests, and improved service efficiencies thereby ensuring CCG has been able to deliver the promise of speeding up adaptations.
3. The development of our Participation Menu has helped ensure that tenants and residents can choose how to become involved in shaping the services we provide.
4. CCG’s first Tenant Satisfaction questionnaire ensured that the promise made to seek views on how services are provided was delivered – the feedback has helped CCG identify where changes in service provision are needed.
5. CCG has provided leaseholders with a complete breakdown of service charges to help ensure that they pay the amount that the service they receive costs.
6. CCG has developed a programme to establish a customer focused and accountable culture within the organisation which will help deliver the promise of delivering a customer focused housing service.

3.3 Challenges in the year ahead:

Although CCG is confident that the remaining promises made will be delivered, the main challenge in the year ahead is to maintain the outputs of the WHQS investment programme to the required levels and to continue to implement those changes identified in the programme to establish a customer focused and accountable culture within the organisation.

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 both the Internal and External Programme of works which equated to around 60% of the work.

In respect of the 40% SME or Trade Contracts (as they are referred to), the following 7 Trade Contractors were appointed: GM Jones, Falconer, Apollo, EWE, Gelli Civil Engineering, Aled Jones and PH Jones.

The Trade Contracts are labour only contracts and Travis Perkins and Symphony were appointed as CCG’s Supply Chain partners.

The “quick win” contracts that were originally identified for door/window replacement and heating works were awarded to Nationwide, Eaga and Bramall. However, contract arrangements with Eaga and Bramall were brought to an end early in March and June 2011, respectively, due to unacceptable performance.

- 4.2 The mobilisation of CCG’s Service Providers during the year resulted in significantly more investment work taking place on site with capital expenditure of £18.9m being achieved compared to £5.7m in CCG’s first year of operation. Although this was an increase of £13m on the previous year’s expenditure it was still £7.2m short of planned expenditure and the reasons for this shortfall are expanded on in section 4.6.
- 4.3 Table 1 below gives an indication of who CCG’s Service Providers are, the type of work contained within the contracts and progress to 31st March 2012 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 coincide with the 31st March 2012. 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 (as at 31/03/12)	Position Statement
Quick Win Windows and Doors	Nationwide	3,047	66%	Progressing satisfactorily
Main Internal Programme	Lovell	527	85%	Progressing satisfactorily. 2012/13 programme established and address list issued.
Main External Programme	Lovell	173	64%	Progressing satisfactorily. 2012/13 programme established and address list issued.
Heating	Lovell	657	79%	Progressing satisfactorily
Loft Insulation	Lovell	2,682	84%	Progressing satisfactorily
Trade Internals	G M Jones	71	16%	Contract in early stages following mobilisation.
Trade Internals	Apollo	96	34%	Performance issues led to contract arrangements being brought to an end early
Trade Electrical	Falconer Electricals	158	29%	Contract in early stages following mobilisation.
Trade Heating	PH Jones	22	3%	Contract in early stages following mobilisation.
Trade Roofing	Evans Wilson & Evans	33	28%	Contract in early stages following mobilisation.
Trade Fencing, Walls & Paving	Gelli Civil Engineering	80	74%	Progressing satisfactorily. 2012/13 programme established and address list issued
Supply Chain Bathrooms & Materials	Travis Perkins	1,199	100%	Progressing satisfactorily. Now supplying for 12/13 address lists
Supply Chain Kitchens	Symphony	739	100%	Progressing satisfactorily. Now supplying for 12/13 address lists

4.4 Table 2 below indicates CCG’s compliance with the WHQS by component as at 31st March 2012. 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 will naturally increase.

Table 2 : Stock compliance with the WHQS by component, at 31st March 2012

	Component	Stock at 31/03/12	Fully compliant* stock for given component at 31/03/12	Compliant* stock for given component subject to acceptable fails at 31/03/12	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 and associated components	6295	3295	0	3000	52%	2015
2.	Windows	6295	5287	4	1004	84%	2012
3.	External doors	6295	4737	7	1551	75%	2012
4.	Kitchens	6295	1549	136	4610	27%	2015
5.	Bathrooms	6295	1272	90	4933	22%	2015
6.	Energy Rating (SAP≥65)	6295	4408	0	1887	70%	2015
7.	Central heating systems	6295	2929	194	3172	50%	2015
8.	Electrical systems	6295	2088	64	4143	34%	2015
9.	Mains powered smoke detectors	6295	6295	0	0	100%	-
10.	Gardens and external storage up to and including the boundary of the property	6295	3556	1	2738	57%	2015

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

4.5 Key successes:

1. A dedicated WHQS office has been opened on Parc Menai at Unit 16, Llys y Fedwen, Parc Menai, Bangor, LL57 4BN. This office houses the Delivery and Asset Management teams with a number of front line staff working at satellite offices.
2. The investment in recruitment and training opportunities continued to be a success with 54 trainees working across all schemes including 34 apprentices as at 31st March 2012.
3. Of the 402 employees working on the CCG Investment Programme, 330 were from North Wales with about half (192) living within Gwynedd, as at 31st March 2012.
4. The Supply Chain process is now fully up and running with Travis Perkins supplying materials for both the WHQS programme and the DLO with

Symphony continuing to be the Kitchen supplier of choice.

5. Travis Perkins have opened the stores for both WHQS and DLO materials on the Peblig Estate and CCG staff can also co-locate in these offices as required.
6. 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. This Forum now focuses on the scrutiny of Service Providers' performance.
7. A communication timeline has been established to ensure that planning for all work programmes follows clear timescales and ensures that there is effective communication with all tenants leading up to and during the investment works on their properties.
8. A decision was taken during the year to bring all empty properties (except non-traditional properties) up to the WHQS standard.

4.6 Things that did not go quite so well:

1. The Supply Chain procurement process took far longer than planned meaning that the Trade Contracts could not start as originally programmed.
2. Aled Jones Ltd, one of the two Trade Heating Contractors went into receivership during December 2011.
3. Contract arrangements with Apollo were brought to an end early due to performance issues.
4. A higher than expected level of no access to properties and tenant refusals were experienced.
5. Point 2 above placed additional pressure on the remaining Trade Heating contractor (PH Jones) which led to their programme having to be stopped and a full induction of all staff undertaken before re-mobilisation could commence.
6. Points 1 - 5 above resulted in less work delivered than programmed and resulted in the £7.2m shortfall on the programme.
7. Point 3 also placed additional pressure on the remaining Trade Internal Contractor (GM Jones) which led to some performance issues and a review of their current programme.
8. A large number of properties with very small kitchens presented additional difficulties in achieving WHQS compliance during the year. These properties are proving very disruptive to the programme, as they take a lot more time to complete. The work often involves structural work and the change of use of existing living space into that which can accommodate a kitchen. Considerably more tenant liaison is required to agree the proposals in the first place and then whilst the work takes place on site.
9. Recruitment to key posts on the Asset and Investment side was again problematic despite several attempts to fill the posts. A number of posts remain unfilled, creating added pressure for existing staff.
10. The turnaround time for those empty properties brought up to WHQS was slower than anticipated for a variety of reasons. This led to a higher than budgeted for loss of income.

4.7 Challenges in the year ahead:

1. Failure to recruit to empty posts may adversely affect delivery of the WHQS improvement programme
2. Mobilising all Trade contracts, managing the associated supply chain and ramping up all the Service Providers' outputs to the required levels will be challenging
3. Achieving CCG's 2012/13 expenditure target and ensuring tight control of the contracts to ensure they are delivered within the constraints of the business plan will prove challenging
4. Implementing the new Empty Property (Void) Standard where all homes, other than those designated as non-traditional and Sheltered, will be brought up to WHQS whilst they are empty and waiting to be let will prove challenging.

5.0 Consultation arrangements with tenants

- 5.1 By the end of the 2011/12 financial year, the new tenants and residents' consultation framework had completed its first full year of implementation, 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 as they faced the new challenges that accompanied the development of the WHQS Improvement Programme. The profile of the Partnership was raised with the launch of a new logo and their presence at tenant events such as CCG's Festive Fun Day.
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 various policies and procedures before they went before the Board such as the Complaints Policy, Former Tenant Arrears Policy and the Empty Property (Void) Standard Policy.
 - 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. As the only group that pre-dates transfer of the housing stock, the group has been working hard on identifying and reviewing its role and purpose to coincide with the structure of the new consultative framework.
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. By the end of March 2012, 128 tenants had joined the customer panel and had taken part in various consultations which included the use of social media, communication with customers, how to provide support in paying rent and making use of direct debit.
4. **Surgeries** – a number of local surgeries held by our community wardens have been set up 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 2011. 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 2012, CCG have a total of 39 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** - during the year, CCG's first Local Tenant Participation Strategy (LTPS) was developed by an LTPS Steering Group consisting of tenants, residents, staff and board members. The LTPS assessed the progress made since the last LTPS, which was produced in 2009 under Gwynedd Council. The latest LTPS sets a clear path and action plan for the direction of tenant participation in CCG for the next three years.
2. **Training** - Forum members attended the TPAS Annual Conference in November 2011 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.
3. **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.

4. **New Members and Tenant Associations** - 8 new members joined the Partnership and forums and 4 new Tenant Associations were established, ensuring participation at a local level.
5. **Developing informal participation** - during the year, we recognised the importance of engaging in more informal methods of participation to reach and consult with tenants, who would not usually participate in traditional methods of participation. The Community Involvement Team attended events such as Miri Morfa and the Tregarth and Deiniolen Carnivals, and held a Festive Fun Day in Pwllheli.
6. **Community Involvement** - CCG teamed up with various partners to deliver projects which included digital inclusion and energy advice and awareness sessions.
7. **Board Member Election** - the second election for tenant board members saw 1600 tenants cast their vote, an increase on the previous election's turnout of 1200 tenants. The Board were extremely pleased with the level of interest from the tenants and believe it is a reflection of CCG's investment in tenant participation activities.

5.3 Things that did not go quite so well:

1. A forum member was dismissed from their role for breaching confidentiality. Lessons were learnt from this and a new code of conduct and disciplinary procedure was developed as a result.
2. Members faced a challenging time when faced with a period of dissatisfaction from tenants with the works relating to the WHQS Improvement Programme. A Facebook page was established by tenants in reaction to complaints about the work and the standard of service received. This has led to numerous changes in communication with tenants, and some dissatisfied tenants have now become participating members who are helping us make key changes to ensure this does not happen again.
3. The Board has found it difficult to recruit an Independent member to the Board one seat remained empty at the end of March 2012 despite conducting two recruitment processes.

5.4 Challenges in the year ahead:

These include engaging with hard to reach groups and maintaining interest and involvement of our current members. CCG is in the process of 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

6.1.1 Under the Agreement, the Council have 75% nomination rights to nominate persons from the Housing Register (see below) to all suitable CCG properties which become available for letting. CCG also provided Housing Register Services for the Council subject to an annual fee, although members should note that this service will cease when the Common Housing Register and Housing Options Team is established in September 2012. This service included:

1. Keeping and maintaining the Council's Housing Register and undertaking the role of Lettings Officer as defined in the Council's Allocation Policy
2. Publishing and making available application forms and information leaflets
3. Providing detailed advice on the Housing Register and making appropriate referrals to other agencies
4. Dealing with general and specific enquiries from Register Applicants or potential applicants
5. Processing and pointing applications and carrying out an annual review of applicants' information
6. Nominating applicants from the Housing Register to CCG's properties in accordance with the nomination agreement (75%)
7. Managing the Council's other nominations (e.g. with other Housing Associations)

Both the Nomination and Housing Agency Agreement are discussed at each quarterly review meeting with the Council

6.1.2 The overall nomination rate for 2011/12 of 73.4% was marginally lower than the target of 75% to nominate persons from the Housing Register (see below) to all suitable CCG properties which became available for letting in the period. CCG also continued to provide Housing Register Services for the Council for an agreed annual fee. This service will cease when the Common Housing Register and Housing Options Team is established in September, 2012. CCG prepare quarterly performance information regarding nominations and activities of the Housing Agency Agreement as agreed in advance of the quarterly review meeting with the Council.

	Nominations	Lettings	Total	% Nominations
Apr-11	20	6	26	77
May-11	20	9	29	70
Jun-11	23	10	33	70
Jul-11	29	7	36	81
Aug-11	26	10	36	72

Sep-11	11	6	17	65
	Nominations	Lettings	Total	% Nominations
Oct-11	17	7	24	71
Nov-11	31	13	44	70
Dec-11	12	2	14	86
Jan-12	18	6	24	75
Feb-12	13	5	18	72
Mar-12	12	3	15	80
TOTAL	232	84	316	73.4

6.1.3 Key successes:

1. 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.
2. There is continued good relationship with other Housing Associations.

6.1.4 Things that did not go quite so well:

1. The implementation of the Common Housing Register and Housing Options Team has taken longer than anticipated, but the revised implementation date of September 2012 was agreed jointly between the Council and all participating Housing Associations (including CCG), so as to ensure the success of this very important strategic change.

6.1.5 Challenges in the year ahead:

The main challenge in the year ahead will be achieving smooth and successful implementation of the Common Housing Register and Common Allocations Policy. In particular ensuring that applicants understand the new process, and ensuring that all partners are working consistently.

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 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)

6.2.1 Key successes:

1. Legal services provided to CCG's Housing Management Service has continued to be of a high standard although there was a slight dip in the service because of staff illness which was rectified with the appointment of appropriate cover
2. Due to a change in the legislation the transfer of responsibility for Sewers and Lateral Drains to Welsh Water has been handled without any major problems by both the Council and CCG.

6.2.2 Things that did not go quite so well:

1. CCG have had cause not to be satisfied with the standard of service received through the cleaning services SLA. This has been reported regularly to the Council but the issue remains unresolved.
2. CCG experienced one serious outage of the Wide Area Network (WAN) in the period which proved disruptive to services. This was responded to by Logicalis. The ICT SLA states that regular account meetings between the Council and CCG will be held, but this has not occurred.

6.2.3 Challenges in the year ahead:

The term of those SLA's of 2 year duration was extended by a further 12 months. The main challenge for CCG in the year ahead is to review all those SLA's listed above and, where appropriate, resource the re-tendering exercise and implement any changes that result by April 2013.

Regarding the Legal Services SLA, in particular, CCG will need to review arrangements to cover those instances where the Council's Legal Team declared a conflict of interest and were unable to represent CCG.

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. Systems are in place to ensure that the main Housing Benefit payment file is uploaded efficiently on time every four weeks. The data files have been transferred on the weekend just before the end of the four weekly

period which ensures that rent account balances were correct and assisted in the accounting processes.

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 Things that did not go quite so well:

1. It is fair to say that since the initial problems shortly after the date of transfer with the data files, similar occurrences have been few and far between. One problem which did occur however was that of a Housing Benefit data file being downloaded twice which resulted in incorrect rent account balances. The matter was rectified by the IT team together with the support from Capita.

6.3.3 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 the pending 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 which may arise from the Welfare Reform changes due to their being a high risk of a potential reduction in income to CCG from these changes.

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. Although a major change at time of introduction, by now the system has been accepted and largely "settled down".

7.2 Key successes:

1. CCG is continuing to log, action and monitor all requests and information received from members. Valuable management information is provided through the protocol that enables CCG to determine levels of performance and identify areas for improvement
2. Additional resources have been provided to ensure that the members' protocol is efficiently managed.

7.3 Things that did not go quite so well:

1. It has been identified that the members' protocol is managed effectively in terms of dealing with enquiries and providing feedback initially. However it has proven to be more of a challenge to follow up on all enquiries to ensure all promises have been kept and arrangements adhered to. The above mentioned additional resources will ensure that all enquiries are followed up within an extended period of time and the elected member

updated on any progress or change.

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 an active 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** – CCG has continued to work closely with the Council and participating Housing Associations to plan and prepare for the introduction of this major strategic change which is scheduled to commence in September 2012.
2. **Homelessness** - 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 2012, employed a total of 267 staff. It is anticipated that this number will 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 above)
4. **Provision of affordable housing** – CCG has identified a number of potential development sites and had submitted two specific development sites for inclusion in the Council's 2011-2014 Programme Development Plan (PDP). These were in Y Wern, Felinheli and Wenallt, Dolgellau. However, during the year, these sites were placed on the reserve list due to re-prioritisation of the 2011-2014 PDP following strategic decisions taken by the Council.
CCG are in early discussions with the Council regarding other potential development sites.
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. Architects will now be commissioned to develop scheme specific plans based on preferences identified during earlier consultation exercises.
 - ii) Following a successful pilot project in the Bethesda area, CCG 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.

- iii) CCG is developing 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.

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

9.0 Other operational matters

9.1 Supporting People

During 2011/12 CCG worked closely with the Council's Supporting People team to provide the required evidence to ensure the Council was satisfied with CCG's Supporting People services. This work, together with work to develop the service, has removed the risk of the Council recommending a claw back of part of the grant payment. CCG also worked with the Council to change and improve the service in response to the new Supporting People Programme Grant Guidance (Wales). CCG provided a comprehensive response to the Welsh Government's consultation paper on the new guidance.

2012/13 will begin a challenging period of transition for CCG's Supporting People service. A Regional Collaborative Committee will be established for North Wales which will determine priorities for commissioning Supporting People services. The grant funding is to be redistributed throughout Wales resulting in anticipated reductions of 5% year on year in the funding allocated to Gwynedd. The planned modernisation of the Sheltered Warden service is key to protecting this grant as emphasis will be placed on supporting the needs of our tenant, not, as present, where they live.

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

Members will recall from last year's annual report that CCG had responded to the consultation on Welsh Government's 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. CCG had concluded that were the policy to be introduced in April 2012, as proposed, that this would have a detrimental impact on CCG's income.

Fortunately, that policy was not implemented in April 2012.

A revised draft policy was circulated in May 2012, the details of which will be reported in next year's annual report.

9.3 **Rent/Income Management Collection**

Performance has improved significantly since transfer following changes to the Income Management Team following an independent review which has seen a reduction in current tenant arrears and an increase in income collection. The arrears total fell by £90,023.61 during the financial year from 2.18% to 1.83% of the gross rent collectable.

CCG is preparing for the financial impact resulting from the Government's Welfare Reform and changes to the Housing Benefit System. CCG is to undertake a tenant profiling exercise to assist in scoping the potential financial implications of the changes and to plan and deliver services to minimise the affect on CCG and our tenants. CCG is currently developing a Financial Inclusion Strategy and Implementation Plan that will set out a high level change plan for the organisation to ensure that financial inclusion becomes an integral part of everything we do. Since there is a direct link between our customers' ability to manage their money and their ability to pay their rent and sustain their tenancies the action plan will outline the steps CCG plans to take over the next four years to ensure that our customers are able to increase their financial inclusion.

9.4 **Empty (void) properties**

During the year CCG resolved to bring empty properties (excluding non-traditional and Sheltered properties) up to the Welsh Housing Quality Standard during the void period. Despite the anticipated short term adverse affect on the property turnover rates, the decision to proceed was considered to be important in view of the higher standard and condition of property handed over to our new tenants.

A combination of factors influenced a poorer than anticipated average turnaround for this important key performance indicator at year end. CCG understands that this will also have an adverse affect on the Council's temporary accommodation expenditure for the homeless. This is a high priority for CCG to resolve during the 2012/13 Financial Year.

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

A complete service review of the Repairs and Maintenance service has been commissioned by CCG. Following a tendering process, Northgate Public Service Solutions will be undertaking the review and the main aims of the review are to provide tenants with a modern Repairs Service that meets their needs and enhances the customer experience.

9.6 **Health and Safety Review**

A root and branch Health and Safety review of the whole organisation is being carried out on behalf of CCG by E C Harris Consultants. The objectives of the review are to ensure CCG's Health and Safety arrangements and policy are fit for purpose and legally compliant to provide a safe working environment for all employees and tenants.

9.7 Regulation

Like all other Housing Associations in Wales, CCG has responded to the requirements set out in the Regulatory Framework for Housing Associations Registered in Wales. The assessment process outlined in the framework is based on a risk based approach to regulation and seeks to identify strengths and areas for improvement in meeting ten “Delivery Outcomes” (standards of performance), which are very much focused on the outcomes for tenants and service users.

During the period, CCG shared its annual Self Assessment (SA) with Welsh Government. The document takes an objective view of CCG’s services and performance against the “Delivery Outcomes”. Whilst this is a process which is constantly updated, the SA is used to inform CCG’s business planning priorities and processes. It is also shared on a regular basis with the Regulator who use its contents as an indicator of CCG’s performance against the requirements of the regulatory framework. A formal Housing Association Regulatory Assessment (HARA) of CCG is scheduled to take place in 2012/13 which will involve on site and off site verification assessments by the Regulator which will lead to formal judgements being published regarding how well CCG is performing against “the Delivery Outcomes” relating to:

- Landlord services
- Governance and Financial management

An assessment of CCG’s financial viability was undertaken by the Regulator in early 2012 leading to the following Financial Viability Judgement being published as at 31st March 2012

“Pass with closer regulatory monitoring”

The “closer regulatory monitoring” is due to the high level of investment included in the 30 year forecast to meet WHQS due to the quality of the stock inherited and the consequential higher financial exposure to CCG if any increases in the cost of delivering the improvement programme are above the assumptions made. It is also due to the slippage in the delivery of the improvement programme which has been experienced since CCG was established in 2010 as any further slippage may adversely impact the business plan.

9.8 Performance Management

As part of CCG’s quest to establish a customer focused, empowering and accountable culture within the organisation, CCG has invested in performance management software, Covalent. This was purchased and commissioned 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.

10.0 Conclusion

CCG's second year in operation has seen a significant increase in the WHQS investment works taking place on site. WHQS expenditure increased from £5.7m in our first year of operation to £18.9m in the period. It is also very pleasing to see 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 thereby delivering one of the core objectives of the innovative procurement model adopted. However, the expenditure did fall short of our forecasted expenditure for the year by some £7.2m as a result of i) having to bring contract arrangements to an early end with two contractors, Bramall and Apollo, due to performance issues and absorb the impact of this within remaining Service Providers, ii) having to absorb the unfortunate demise of Aled Jones Ltd, one of our heating contractors who went into receivership in December 2011, and iii) the Supply Chain procurement process took far longer than planned resulting in our Trade Contractors not being able to start as programmed. The mobilisation of some of the Trade contracts did not go as well as hoped with some tenants experiencing unacceptable levels of service from CCG, most notably in the Dyffryn Nantlle area, prior to Christmas 2011. This also resulted in the emergence of social networking (Facebook) being used by tenants for the first time as a medium to express their dissatisfaction. The immediacy of this form of communication presented particular challenges to CCG at the time, but were ones that were overcome quickly to the benefit of CCG and its tenants. CCG now communicates with a greater number of tenants through this new medium than ever before and in so doing, are engaging with some tenants it would not otherwise have succeeded in engaging with.

Whilst clearly a disappointment that some tenants experienced dissatisfaction with CCG, on the whole, service delivery to our customers continues to improve. 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 with the organisation. This, together with continued focus on the WHQS investment programme, to maintain the outputs to the required levels, are priorities for CCG during 2012/13.