

CYNGOR SIR POWYS COUNTY COUNCIL

**County Council
24th January 2019**

REPORT AUTHOR: County Councillor James Evans, Portfolio Holder for Corporate Governance, Housing and Public Protection

SUBJECT: Question from County Councillor Matthew Dorrance

How effective does the Cabinet Member for Housing think the Heart of Wales Property Service is and does he think it provides residents in Powys with value for money?

Response

As Councillor Dorrance will be aware the decision to enter into a Joint Venture with Kier to form the Heart of Wales Property Services Ltd, was one made by the previous administration. As I am the Portfolio Holder for Housing, I will respond to the question in relation to the Housing Service only and the role that HOWPS plays in delivering responsive maintenance services to council homes.

The contractual arrangements established at the outset of the contract required the successful tenderer (HOWPS) to achieve savings in respect of the delivery of responsive repairs to council homes, based on the cost of providing the service using the in-house workforce in 2014-15. In 2014-15, the total cost of providing the service was £5.1 million, and HOWPS are required to achieve £200,000 savings in Year 1, a further £83,000 in Year 2 and a further £128,000 in Year 3. Whilst the contract does allow for indexation at the start of the financial year, this means that in Year 3 of the contract (July 2019 – July 2020) the service will cost approximately £400,000 less to deliver than it did in 2014-15.

So whilst there have been some issues in respect of the bedding in of the responsive maintenance service provided by HOWPS, these have now largely been addressed and in purely financial terms the arrangement with HOWPS has secured savings for the Housing Service and therefore does represent value for money for Powys council tenants.

With regards to excluded works which fall outside the contract agreement HOWPS have now reached a stage where they are providing these services for the authority. Consequently, negotiations have commenced with the authority regarding additional functions such as improvements works and adaptations. The focus of these negotiations is value for money.