

CABINET

Date of Meeting	Tuesday, 16 th March 2021
Report Subject	Performance of the Welsh Housing Quality Standard (WHQS) Capital Programme – Assurance Report
Cabinet Member	Cabinet Member for Housing
Report Author	Chief Officer (Housing and Assets)
Type of Report	Operational

EXECUTIVE SUMMARY

The purpose of this report is to provide an update on the delivery of the Welsh Housing Quality Standard (WHQS) the council is delivering through its Capital Investment Programme.

The report focuses on achievements to date and maps the journey thus far.

The WHQS Programme of Works would have reached the final year (2020-2021) of the six year Capital Programme, however, this has been extended by a further year due to the impact of Covid on the work programme.

The report focuses on what has been delivered to date and what is left to be completed before the extended December 2021 deadline.

RECOMMENDATIONS

1	Cabinet notes the progress made in delivering the WHQS programme and supports the Capital Investment Programme in its final year.
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REPORT DETAILS

1.00	EXPLAINING THE WELSH HOUSING QUALITY STANDARD
1.01	<p>The Welsh Housing Quality Standard (WHQS) is a national quality standard for public sector homes in Wales as set out by the Welsh Government.</p> <p>All tenants in Wales should have the opportunity to live in good quality homes which meet the requirements of each household. The Housing Capital Works Team is responsible for delivering Internal & External upgrades to all Council owned properties and for compliance with the WHQS.</p>
1.02	<p>At the commencement of the WHQS programme the Capital Works Team were tasked with delivering a major investment programme covering a number of years to upgrade its housing, this has involved the following:-</p> <ul style="list-style-type: none">• Agreeing the HRA Business Plan with Welsh Government.• Completing an independent Stock Condition Survey.• Consulting with Members and holding Member Workshops in 2014• Conducting Tenant Federation Workshops.• Conducting Tenant Consultation Workshops in our local Connects Centres.• Sending over 7,200 Tenant Questionnaires asking for feedback and comments on the proposed Capital Programme.• Determining the various work streams and the New District Areas for Project Delivery as a result of consultation feedback.• Packaging the work streams into Years based upon Manageable Numbers & Geographical Locations.• Tendering each work stream separately.• Completing over 50 interviews with Contractors utilising Tenants & Volunteers.• Awarding the contracts, commencing and managing the works onsite.
1.03	<p>The WHQS Capital Programme has been created to ensure all Flintshire County Council properties will comply with the WHQS as required by Welsh Government.</p> <p>Each year we are required to report progress to the Housing Asset Management Team, Housing Project Board Members and Welsh Government.</p> <p>Our annual returns to Welsh Government track our progress in terms of how many components are WHQS compliant and how many properties achieve the WHQS status overall.</p>

In order to assist our wider understanding of stock condition we have recently procured software and begun to pilot in-house Stock Condition Surveys. This will mean we will be able to update our housing asset components remotely and update our future investment plans. This will involve surveys of all HRA council owned properties both internally and externally to confirm the asset data we currently hold. This information on a property by property basis will also inform discussions with those tenants on the housing waiting list by more accurately matching the home to their specific needs and in doing so hopefully reduce the number of refusals.

During the past three years we have completed a major data cleansing exercise of all asset and component data. This has resulted in our overall WHQS compliancy figure increasing as below:

- 2017 = **0.3%**
- 2018 = **27.9%**
- 2019 = **63.15%**
- 2020 = **80%** (yet to be reported to Welsh Government)

From our 7,200 Housing Stock, we are currently reporting:

- WHQS Compliant Kitchens: **100%**
- WHQS Compliant Bathrooms: **100%**
- WHQS Compliant Roofing & Associated Components: **87%**
- WHQS Compliant Windows / Doors: **92%**
- WHQS Customer Satisfaction Average: **96%**

Internal Work Streams (Kitchens & Bathrooms) have now been completed the remaining properties are proving to either be Tenant Refusals or No Access (**Acceptable Fails**). Welsh Government classes any property subject to an Acceptable Fail as compliant in terms of achieving the WHQS.

The Capital Works Team have allowed for a **20%** Acceptable Fail scenario within the Capital Programme and we are currently reporting **19%** as our highest Acceptable Fail component (Bathrooms) which was previously **29%** last year.

Acceptable fails will be addressed in future years.

1.04

The main WHQS Contracts of the Capital Programme were procured in 2017-2018 to ensure the Council would meet the previous December 2020 deadline (now extended to December 2021).

Due to the COVID-19 pandemic and following government guidance the Council were instructed to delay all WHQS work contracts until Quarter 2 2020. As a result Welsh Government agreed to extend the December 2020 deadline by a further 12 months to December 2021. This extension is to be reviewed again based on the impacts of ongoing Covid control activity.

From the 23rd March 2020 all Welsh Housing Quality Standard (WHQS) works to council properties and communal areas ceased with the resource

being concentrated on properties being closed/ completed safely, ensuring all tenants and works were left in a safe manner etc. Compliance Works continued, such as Gas & Oil heating servicing and legionella, asbestos checks and fire risk assessments. This decision is in line with government guidance on social distancing measures and to reduce social interaction between people in order to reduce the transmission of coronavirus (COVID-19).

With the easing of lockdown restrictions, and further guidance published on 14th of June 2020 'Working safely during Covid19 in construction and other outdoor work', a number of actions were taken:

- Meetings held with all service providers, contractors, suppliers etc.
- Construction Phase Plans, RAMS, Briefing Papers, proposed Toolbox Talk Agendas, Contractor Programmes & Resources were all approved through a robust audit process (Contract Surveyor, WHQS Team Leader, Capital Works Team Manager, CDM Principal Designer and External H&S Advisor).
- Our suppliers have also confirmed that any warehousing and manufacturing is also compliant.
- Contractor Site Rules, FCC Team Site Rules, FCC Lone Working and Remote Working Assessments all approved and shared with the teams.
- COVID 19 Return to Work toolkits completed to ensure all Capital Works Team staff comply and meet the current requirements (Government Guidance, Shielding, Travelling, Symptoms, PPE etc.)
- All tenants on our WHQS Programmes have been contacted and any vulnerable or shielding tenants etc. have been removed from any programmed works etc.

Flintshire County Council have also been in contact with other Council authorities to ascertain their current positions and thought processes along with Welsh Government who are reassured with the plans and proposals we currently have in place and the works we are currently delivering.

In order for the Council to have safely implement WHQS works to Council properties and restart many of the large WHQS Contracts the Capital Works Team needed to also ensure the below criteria and considerations were met:

- Monitoring of Contractors COVID compliance
- Split work streams into smaller work bubbles
- Remove Sheltered stock from all programmes of works due to vulnerability and risk
- Remove Blocks of Flats with Communal areas from all programme of works
- Cease bathroom upgrades
- Carefully Plan materials and deliveries to site (minimising travel where possible)
- PPE for staff issued and monitored weekly
- Strict COVID screening of tenants and contactors
- Constant review of guidance and work
- Zero snags to minimise travel and visits to tenants homes

1.05	<p>The Welsh Audit Office (WAO) Report (2017/2018) - Flintshire County Council had received notification from the WAO that they proposed to undertake a review.</p> <p>The review focused on the experience of council tenants in the degree of choice experienced within the delivery of WHQS both before, during, and after the work was commissioned. It also reviewed how tenants have been consulted on the future plans of the council to achieve WHQS by the deadline.</p> <p>From the audit and final report, the Council received no recommendations and the below comment was passed to the Council.</p> <p><i>“Overall, we found that the Council is making good progress towards achieving the Welsh Housing Quality Standard and most Council tenants are satisfied with the quality of the service and their homes.”</i></p>
1.06	<p>Internal Audit Review (2018/2019) - Our Internal Audit Team were scheduled to review the Capital Works Team prior and in preparation for the WAO visit. The final version of the audit report along with its recommendations have now all been agreed, accepted and implemented within the agreed timescales. The Audit took place in late Quarter 3 of December 2018.</p> <p>Audit Objective: To evaluate the adequacy of the arrangements in place to deliver the WHQS, obtain assurance that the identified risks are being managed appropriately and to deliver the objectives of the service.</p> <p>Scope of review: The audit will review and consider the adequacy and effectiveness of the operating controls in relation to WHQS and focus will be placed upon:</p> <p><i>The project management of the WHQS. The business planning arrangements in place.</i></p> <p>Rating:- Amber/Green – Reasonable Amber - 3 Recommendations Green - 4 Recommendations</p>
1.07	<p>The team have set a new target level of 96% for our annual WHQS Tenant Satisfaction Surveys. Our intervention level is set at 94%.</p> <p>Year 5 (2019-2020) finalised at <u>96%</u> which is one of the highest scores to date.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Staff - There are always concerns that staff retention may be difficult to maintain. Given that the Construction Industry is an ever changing sector, staff may seek opportunities elsewhere i.e. New Build, Private Sector etc.</p> <p>The Capital Works Team has made adjustments to the team's structure to incorporate a degree resilience and robustness to the delivery model.</p>
2.02	<p>Budgets - When creating our delivery programme, budget estimates were made for the required upgrade works to our existing properties with contingency sums included for unforeseen work such as Structural Repairs etc.</p>
2.03	<p>Procurement – Procuring the various WHQS works can be challenging. The Council must ensure that all contracts are measured not only by cost but by quality. Quality forms an important part of the assessment process where the Capital Works Team interviews all its Contractors and assesses Quality Submission Papers before any contracts are awarded. The team have been able to secure further efficiencies by merging some contracts so that internal and external resources can be shared.</p> <p>There is a risk that many Contractors are opting for New Build contracts rather than Refurbishment contracts. Engaging with our supply chain early on and sharing our Capital Investment Programme aspirations with our Contract Framework Partners assists us to procure longer term contracts and therefore reduces risk of inflated costs based on long term contract arrangements.</p>

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	<p>The Welsh Government has committed to achieving a carbon neutral public sector by 2030 and to coordinating action to help other areas of the economy to make a decisive shift away from fossil fuels. The Environment (Wales) Act 2016 requires the Welsh Government to reduce emissions of greenhouse gases (GHGs) in Wales by at least 80% for the year 2050 with a system of interim emissions targets and carbon budgets.</p> <p>The Welsh housing stock is older than the UK housing stock as a whole, with only a smaller proportion built in recent years.</p> <p>Approximately:</p> <ul style="list-style-type: none"> • 32% of the Welsh housing stock was built before 1919, when there were no construction standards in terms of thermal performance. • 10% of Welsh homes were built in the last 18 years, during which time performance requirements have changed dramatically. • 0.1% levels of demolition.

	<p>A further priority has been to maintain, sustain and build on the improvements delivered through the WHQS programme, particularly to improve the energy efficiency of our homes. We aim to continue to improve our asset base, while developing an understanding of what measures can be implemented to ensure our current assets achieve a high energy rating.</p> <p>As a Council, we will be required to ensure our homes meet the highest possible thermal efficiency and energy performance (EPC level A) by 2030. Currently as part of the WHQS our properties are required to meet a minimum of SAP 65 (EPC level D).</p> <p>Discussions with Welsh Government are continuing, but it is clear that there will be a requirement to procure and deliver a large retrofit programme comprising of:</p> <ul style="list-style-type: none"> • Internal & External wall insulation • Floor insulation • Air Source & Ground Source Heating Systems • Solar Photovoltaic Panels • Solar Thermal Panels • Triple Glazing • Heat recovery units • Improved Ventilation systems such as positive input ventilation • Improved Heating controls such as intelligent heating programmers • LED lighting <p>Over the next 12 months officers will work up plans as part of the wider asset management and decarbonisation programme for members to consider which shall encapsulate the investment challenges and options for consideration.</p>
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	<p>Prior to the Capital Investment Programme commencing, the team held Member Workshops in 2014 where the majority of Members attended and were actively involved in the design and delivery of the current Capital Programme.</p> <p>We also held Tenant Federation Workshops where we engaged with the federation with regards to what priority and which order the works should be completed along with discussing the potential to merge certain work streams, i.e. Internal Works were prioritised first with both the Kitchen and Bathroom Upgrade works merging into one work stream.</p> <p>We also held Tenant Consultation Workshops in our FCC Connects Centres and community centres engaging with our tenants and discussing the Capital Programme along with ascertaining what order tenants would prefer to have components of their home upgraded first.</p>

	<p>We also sent over 7,200 Tenant Questionnaires asking for feedback and comments on the proposed Capital Programme and initially completed circa 50 interviews with Contractors utilising Tenants & Volunteers. This has increased year on year when new contracts are awarded.</p> <p>Moving forwards and as part of the next phase of the Capital Programme and retrofit programme the Capital Works Team will again be consulting with Members, tenants and tenant groups to ensure that each is engaged with and to ensure their preferences and concerns with regards to this next phase are considered and implemented as we have previously.</p>
4.02	<p>In addition to the work detailed within this report, there is a wider issue that needs to be considered around the potential to undertake regeneration schemes on some of our estates rather than continue to commit funding to assets that will be expensive to continue to maintain and run, have high numbers of voids and which are expensive to heat and run for the tenant</p> <p>Consultations will need to be held with members and tenants as the Council progresses with its investment plans and this will be completed prior to any works being procured and delivered.</p>

5.00	APPENDICES
5.01	<p>Appendix 1 - WHQS Consultation Document Appendix 2 - WHQS Delivery District Areas Appendix 3 - WAO Final Audit Report Appendix 4 - WAO Reply Letter to Draft Report Appendix 5 - Internal Audit Final Report Appendix 6 - WHQS Post Works Questionnaire</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	https://www.flintshire.gov.uk/en/Resident/Housing/Welsh-Housing-Quality-Standard-WHQS.aspx
6.02	https://gov.wales/decarbonisation-homes-wales-advisory-group#content

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Sean O'Donnell, Capital Works Manager Telephone: 01352 701642 E-mail: Sean.O'Donnell@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
8.01	<p>Capital Programme: The Council's financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>The Welsh Housing Quality Standard (WHQS): is a national standard of quality for homes. This is set by the Welsh Government. It means that all tenants in Wales should have the opportunity to live in good quality homes which meet the requirements of that household.</p> <p>Acceptable Fail: Welsh Government understand that some homes cannot receive the WHQS works due to 4 reasons, listed below:</p> <ol style="list-style-type: none"> 1. Works are physically impossible carry out, 2. It is not cost effective to do the works, 3. Timing (works due in near future already) 4. Tenant refuses the improvements. <p>These are called 'Acceptable Fails' and the Welsh Government will accept that 20% of our properties will be in this group.</p> <p>Wales Audit Office: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p>Financial Year: the period of 12 months commencing on 1 April.</p> <p>Budget: a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p>PDA Solution: Mobile hand held device used for capturing stock data directly linked to our asset database.</p> <p>Contract Framework: A Contract Framework is an agreement between one or more contracting authorities and one or more economic operators. These frameworks have Contractors, Consultants and Suppliers that have been successful in joining the specific work categories. The Council often uses these frameworks to procure works that have already gone through a tender process in line with OJEU and can be utilised to procure works or services. They are often the most economic advantage in terms of value for money and local training provision.</p> <p>HRA: The Housing Revenue Account.</p> <p>Open Housing System: An electronic database system which is used by the Housing Assets Team where its assets are recorded along with tenant</p>

details, components, works tickets and tenant requests for works or inspections and other services.

Components: A part or element such as an assets amenities (Kitchen Bathroom, Boiler, Roof, Windows, Doors etc.).

RAMS: Risk and Method Statements used in construction works to enable a Contractor to safely plan and identify how any risks will be mitigated or complied with.

PPE: Personal Protective Equipment.

Decarbonisation: Referring in this instance to Welsh Governments requirement for all Local Authorities in Wales to reduce its Carbon emissions and usage.

EPC: Energy Performance Certificate.

SAP: Standard Assessment Procedure.