

## COMMUNITY & HOUSING OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday, 11 <sup>th</sup> December 2024
<b>Report Subject</b>	Decarbonisation Strategy Decarbonisation and the Welsh Housing Quality Standards (WHQS)
<b>Cabinet Member</b>	Cabinet Member for Housing and Communities
<b>Report Author</b>	Chief Officer (Housing and Communities)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The purpose of this report is to provide an update and overview regarding the Councils obligation to create a decarbonisation strategy which complies with the new Welsh Housing Quality Standards (WHQS 2 2023) and the delivery of the new standards.

As a result of the new standards, the Council will be required to update specifications, work briefs and programmes of work to comply with the guidance.

### RECOMMENDATIONS

1	To support the delivery of the next phase of the capital investment programme to ensure compliance with the newly updated Welsh Housing Quality Standards requirements and the proposed Decarbonisation Strategy.
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## REPORT DETAILS

1.00	<b>EXPLAINING THE WELSH HOUSING QUALITY STANDARD AND THE OPTIONS WITHIN THE STRATEGY</b>
1.01	<p>The Welsh Housing Quality Standard 2023 (the Standard) sets the target for the condition of all social housing in Wales.</p> <p>The Standard was originally introduced in 2002 and has been successful in raising the quality of social housing in Wales. This level of quality must be maintained and enhanced, taking account of changes and expectations in, and impacts from, the wider world such as climate change and technical advancements in building fabric.</p> <p>The Council is committed to bringing all existing social housing up to this new Standard by 2033 (elements in Part 3 may be reached at different times). The expectation is that WHQS 2023 will be reviewed within 3 years.</p> <p>The next review will consider the improvement made to the social housing stock and the progress required to remain on track to meet 2050 climate obligations.</p> <p>The Standard sets the requirements all social housing is updated and kept in good condition, so social tenants can live in a home that:</p> <ul style="list-style-type: none"><li>• Is in a good state of repair.</li><li>• Is safe and secure.</li><li>• Is affordable to heat and has minimal environmental impact.</li><li>• Has an up-to-date kitchen and utility area.</li><li>• Has an up-to-date bathroom.</li><li>• Is comfortable and promotes wellbeing.</li><li>• Has a suitable garden; and</li><li>• Has an attractive outside space.</li></ul> <p><b>A home will meet the Standard when all relevant elements are achieved.</b> It is recognised that some elements of the Standard are not applicable to all homes. It is also recognised that not all homes will be able to achieve some elements for various reasons.</p>
1.02	<p><b>New Themes</b></p> <p><b>WHQS 2023 driving towards a Net Zero Wales</b></p> <p>WHQS sets out Standards relating to the decarbonisation of social homes and aims to reduce carbon emissions from the Welsh housing stock. This Standard contributes towards governmental climate change goals expressed through the Net Zero Wales plan published in 2021 and updated in 2022. In time, it is anticipated that the Standard will apply to other types and tenures of housing, and this will be kept under regular review.</p>

	<p><b>Evaluation of WHQS 1 (2008)</b></p> <p>The evaluation concluded <i>‘that the WHQS had been effective in achieving its key objective of raising standards of social rented housing’ and ‘has benefits for tenants and should be continued into the future...’</i></p> <p>The evaluation process identified areas of the Standard that required updating and improving, areas where research and societal changes had changed expectations since the original Standard was launched, as well as new areas to include, these are listed below:</p> <ul style="list-style-type: none"> <li>• Data collection and reporting.</li> <li>• Compliance policies.</li> <li>• Fire and electrical safety.</li> <li>• Affordable warmth and environmental impact (new element).</li> <li>• Flooring (new element).</li> <li>• Water efficiency (new element).</li> <li>• Biodiversity (new element).</li> <li>• Active travel (new element).</li> </ul>
1.03	<p><b>Timeline for achievement of the Standard</b></p> <p>By 31 March 2025, landlords must:</p> <ul style="list-style-type: none"> <li>• Assess the condition of their stock and the work necessary to meet the Standard.</li> <li>• Estimate the investment needed to achieve the Standard.</li> <li>• Complete tenant engagement on the programme.</li> <li>• Prepare and submit a Compliance Policy to the Welsh Government; and</li> <li>• Update the Business Plan to reflect the programme.</li> </ul> <p>By 31 March 2027, landlords must:</p> <ul style="list-style-type: none"> <li>• Produce Target Energy Pathways, informed by their Whole Stock Assessment.</li> </ul> <p>By 31 March 2034, landlords should have:</p> <ul style="list-style-type: none"> <li>• Confirmed that all their housing stock meets the Standard.</li> </ul> <p><b>Tenant engagement on the programme</b></p> <p>It is recognised that to foster pride and belonging, tenants should be encouraged to be involved in making any decisions that affect their community and environment. It is expected that tenants are shown how the programme was developed, and how tenant and / or tenant groups views and priorities have influenced the programme. The precise process for tenant engagement is a matter for the individual landlord.</p> <p><b>Please refer to Appendix 1 - WHQS Tenant Questionnaire</b></p>
1.04	<p>The strategy will advise how the Council can plan to reduce and contribute to the elimination of carbon emissions into the atmosphere.</p>

	<p>There are some important areas to consider when developing our strategy:</p> <ul style="list-style-type: none"> <li>• Targets: set targets that are based on evidence and realistic and consider setting separate targets for different categories or locations.</li> <li>• Involve all areas of the council, its housing tenants, service users, clients and other customers on the council's journey towards net zero to help drive change.</li> <li>• Build resilience: mitigate risks related to technology, policies, and supply chain disruption.</li> <li>• Create a vision: have a clear vision for the future and gain support from senior leaders.</li> <li>• Establish a structure: develop a structure and financing requirements to govern the decarbonisation journey.</li> <li>• Track performance: regularly check performance against the targets set.</li> </ul> <p>The housing and assets teams have been working hard to draft the decarbonisation strategy, using the data from recent investment programmes, audits and professional reviews.</p> <p>The initial draft was reviewed by teams across the service and implementation of some of the options through a desktop exercise, reviewing past and live workstreams, implementing the measures proposed. The draft strategy was then updated to reflect any changes in working practices and responding to any lessons learnt from ongoing investment works.</p> <p>Appendix 2 details the options open to the Council which will form the strategy moving forwards.</p> <p><b>Please refer to Appendix 2 - Decarbonisation Strategy Report Nov 2024</b></p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p><b>Staff</b> - There are concerns staff retention may be difficult to maintain. Given the construction industry is an ever-changing sector, staff may seek opportunities elsewhere i.e., new build, private sector etc.</p> <p>The housing assets service have revised the team structures to incorporate a degree of resilience, succession planning and robustness to the delivery model and departments risk register has been updated.</p>
2.02	<p><b>Budgets</b> - When developing 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>

	Further works have been undertaken with colleagues in Finance and we have begun forecasting our budget requirements for the next tranche of works.
2.03	<p><b>Procurement</b> – Procuring the various WHQS works can be challenging. The Council must ensure 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 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 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>

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>As per section 2, the Council has commenced with a full review of the Council's resources, budget requirements and procurement challenges.</p> <p>The Housing and Assets service are in the process of procuring various frameworks of contractors and suppliers to mitigate risks in terms of contractor resource and material supply and to also provide assurance with regards to associated costs, which impact upon our budgets etc.</p>

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	<p>Prior to the Capital Investment Programme commencing in 2014 to comply with the WHQS (2008), the team held Member workshops, where most Members attended and were actively involved in the design and delivery of the current capital programme.</p> <p>Tenant Federation workshops were also held where we engaged with the federation with regards to what priority, and which order, the works should be completed, along with holding 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>Moving forwards, and as part of the next phase of the capital programme and decarbonisation retrofit programme, the Capital Works Team will again be consulting with Members, contract holders and contract holder groups to ensure their preferences and any concerns with regards to this next phase are considered and implemented.</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 contract holders as the Council progresses with its investment plans and this will be completed prior to any works being procured and delivered.</p>
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<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 - WHQS Tenant Questionnaire
5.02	Appendix 2 – Decarbonisation Strategy Report November 2024

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<a href="https://www.gov.wales/welsh-housing-quality-standard">https://www.gov.wales/welsh-housing-quality-standard</a>
6.02	<a href="https://gov.wales/decarbonisation-homes-wales-advisory-group#content">https://gov.wales/decarbonisation-homes-wales-advisory-group#content</a>
6.03	<a href="https://gov.wales/sites/default/files/statistics-and-research/2021-06/welsh-housing-quality-standard-summative-evaluation.pdf">https://gov.wales/sites/default/files/statistics-and-research/2021-06/welsh-housing-quality-standard-summative-evaluation.pdf</a>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Sean O’Donnell, Service Manager - Housing Assets  <b>Telephone:</b> 01352 701642  <b>E-mail:</b> Sean.O’Donnell@flintshire.gov.uk</p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Capital Programme:</b> The Council’s financial plan covering capital schemes and expenditure proposals for the current year and future years. It also includes estimates of the capital resources available to finance the programme.</p> <p><b>The Welsh Housing Quality Standard (WHQS):</b> 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><b>Financial Year:</b> the period of 12 months commencing on 1 April.</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.

**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.

**HRA:** The Housing Revenue Account.

**Components:** A part or element such as an asset / amenity (kitchen bathroom, boiler, roof, windows, doors etc.).

**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.