

## COMMUNITY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday 26 <sup>th</sup> September 2018
<b>Report Subject</b>	WHQS Capital Programme - Delivery Review Update
<b>Cabinet Member</b>	Deputy Leader of the Council and Cabinet Member for Housing
<b>Report Author</b>	Chief Officer (Housing and Assets)
<b>Type of Report</b>	Strategic Update

### EXECUTIVE SUMMARY

This report provides an update on progress of the Welsh Housing Quality Standards (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 has reached its halfway milestone moving into the final three years of delivery. The report focuses on what has been delivered to date and what is left to be completed before the 2020 deadline.

### RECOMMENDATIONS

1	Scrutiny to note the report and progress made in delivering the Housing Capital Investment Programme.
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## **REPORT DETAILS**

<b>1.00</b>	<b>BACKGROUND &amp; OVERVIEW</b>
1.01	<p>The Welsh Housing Quality Standard (WHQS) is a national standard which seeks to improve the quality of the Councils retained social housing stock. This standard is set by the Welsh Government (WG).</p> <p>The Housing Capital Works Team is responsible for delivering Internal &amp; External upgrades to all Council owned properties, complying with the WHQS by the year 2020. The modernisation and refurbishment programme seeks to provide the opportunity for all tenants to live in good quality homes which meet the requirements of that household.</p>
1.02	<p><b><u>WHQS Programme</u></b></p> <p>The Capital Works Team were tasked with delivering a major investment programme for its council owned properties and have implemented the Capital Investment Programme by:</p> <ul style="list-style-type: none"> <li>• Agreeing the 2020 Business Plan with Welsh Government.</li> <li>• Completing an independent Stock Condition Survey.</li> <li>• Consulting with Members and holding Member Workshops in 2014 setting out what the programme was seeking to achieve and how it would be delivered.</li> <li>• Conducting workshops with the Tenant Federation.</li> <li>• Conducting Tenant Consultation Workshops in our Connects Centres.</li> <li>• Sending over 7,200 Tenant Questionnaires asking for feedback and comments on the proposed Capital Programme.</li> <li>• Determining the various workstreams and the New District Areas for Project Delivery as a result of consultation feedback.</li> <li>• Packaging the workstreams into Years based upon Manageable Numbers and Geographical Locations.</li> <li>• Tendering each work stream separately.</li> <li>• Completing over 50 interviews with Contractors utilising Tenants &amp; Volunteers.</li> <li>• Awarding the contracts, commencing and managing the works onsite.</li> </ul>
1.03	<p>The WHQS Programme has been created to ensure all Flintshire County Council housing properties will comply with the WHQS by the year 2020, as required by Welsh Government.</p> <p>Each year the Capital Works Team are required to report progress to the Housing Asset Management Team, Housing Board Members and Welsh Government. 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>

	<p>For several years the Capital Works Team have been attempting to fully implement the Housing Assets software system with a view to procuring a more robust and consistent approach to data collection and contract management. A solution has now been procured and we are in the final phases of testing and implementation. We have recently completed a major data cleansing exercise of all asset and component data, based on work undertaken to date this has resulted in our overall compliancy figure increasing from <u>0.3%</u> to <u>27.9%</u>.</p> <p>From our 7,200 Housing Stock, we are currently reporting:</p> <ul style="list-style-type: none"> <li>• WHQS Compliant Kitchens: <u>100%</u></li> <li>• WHQS Compliant Bathrooms: <u>77%</u></li> <li>• WHQS Compliant Roofing &amp; Associated Components: <u>69%</u></li> <li>• WHQS Compliant Windows / Doors: <u>75%</u></li> <li>• WHQS Customer Satisfaction Average: <u>95.8%</u></li> </ul> <p>The WHQS project team is nearing the end of the Internal Work programme (Kitchens &amp; Bathrooms) and as a result the remaining properties are proving to either be Tenant Refusals or No Access (<b>Acceptable Fails</b>). Welsh Government classes any property subject to an Acceptable Fail as compliant in terms of achieving the WHQS. The team have allowed a 10% Acceptable Fail scenario within the Capital Programme.</p>
1.04	<p>The WHQS project team have now procured all of the main WHQS Contracts moving into Year 4 (2018-19) of the Capital Programme. We are currently ahead of target in relation to the number of components installed and are now looking at implementing our Personal Digital Assistant (PDA) Solution sometime in Quarter 4 (Q4) of this financial year which should bring further efficiencies and be a more effective approach when collecting asset information, stock condition information and other data.</p>
1.05	<p>From the first delivery year of the Capital Investment Programme, the team have delivered many contracts varying from internal upgrade works through to large external refurbishment and environmental schemes. The Council has invested circa £60m to date within its housing stock and is currently ahead of target in meeting the WHQS 2020 deadline.</p>
1.06	<p><b><u>Welsh Audit Office Report</u></b></p> <p>Flintshire County Council received notification from the Welsh Audit Office that they proposed to undertake a review of the WHQS. 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 2020.</p> <p>In undertaking the review, the Audit Office sought to answer a key question;</p> <ol style="list-style-type: none"> <li>1. Whether the needs, experience and aspirations of service users</li> </ol>

	<p>inform the design and delivery of services to more closely meet their needs?</p> <p>As a supplement to the main question, the Audit Office also explored;</p> <ol style="list-style-type: none"> <li>1. Are services designed with the needs, views and aspirations of service users in mind?</li> <li>2. Are services users satisfied with the quality of services they received?</li> <li>3. Are services users able to access the services they need?</li> <li>4. Does the Council have effective two-way communication with service users?</li> <li>5. Does the Council have a robust project plan for continuing to meet WHQS, which sets out key actions, responsibilities and resources?</li> <li>6. Does the Council have effective arrangements in place to monitor and challenge the council's progress in continuing to meet WHQS?</li> <li>7. Is the Council's progress towards WHQS making a positive difference to the lives of its housing residents and achieving the Council's intended wider benefits of the programme?</li> </ol> <p>Prior to the commencement of the audit, a meeting was convened between Flintshire County Council Housing Service and the lead auditor from WAO.</p> <p>Areas covered within the meeting included;</p> <ol style="list-style-type: none"> <li>1. Arrangements and the content of meetings with the Leader of the Council, Portfolio Holder for Housing and the Chief executive.</li> <li>2. Meeting with Flintshire tenants association</li> <li>3. Identification of 600 addresses (not personal details) of properties which have experience of the WHQS installation programme to date and from these WAO will select from across section of properties from general needs to sheltered accommodation.</li> <li>4. Interviews with key staff members</li> </ol> <p>As can be noted above the audit covered a number of areas relating to our service users. Having undertaken the surveys considered the feedback from users and moderated their findings WAO concluded that:-</p> <p><b><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></b></p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>With large programmes of activity such as this there are always concerns that staff retention may be challenging particularly as this programme was being implemented across those stock retaining local authorities in Wales at the same time which could have led to market overheat. In this context we have been able to retain staff and recruit to specialist positions so that the programme can continue on plan and in doing so reducing the potential risk of resources leaking from the programme delivery teams.</p>

2.02	<p>When creating our delivery programme, budget estimates were made for the required upgrade works to our existing properties. These estimates were made with certain contingencies for any unforeseen works such as Structural Repairs etc. When working on new build properties there is a degree of certainty with regards to condition and the materials utilised during the construction process etc. as everything is an absolute measure.</p> <p>When working on properties over 60, 70 &amp; 80 years of age, there is a higher degree of uncertainty when it comes to the condition and the materials that may have or may not have been used at the time of construction phase. This could or could not include the use of asbestos or substandard working practices and other materials i.e. substandard copper.</p> <p>The Capital Budgets were based on an independent stock condition survey. Prior to works commencing onsite, the Capital Works Team also completed scoping surveys to validate that the stock condition data was consistent with the original survey.</p>
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<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	<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 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 workstreams, 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.</p> <p>We initially completed circa 50 interviews with Contractors utilising Tenants &amp; Volunteers. This has increased year on year when new contracts are awarded.</p>

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The quality and availability of Contractors and Tradesman who are open and willing to work within tenant properties as opposed to New Build

	Contracts continues to be challenging to procure. 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 longer contract arrangements. The longer term arrangements makes the Council an attractive client to work for and with.
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<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 - WHQS Guidance Document 2008 - PDF

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<a href="https://www.flintshire.gov.uk/en/Resident/Housing/Welsh-Housing-Quality-Standard-WHQS.aspx">https://www.flintshire.gov.uk/en/Resident/Housing/Welsh-Housing-Quality-Standard-WHQS.aspx</a>  <b>Contact Officer:</b> Sean O'Donnell (Capital Works Manager) <b>Telephone:</b> 01352 701642 <b>E-mail:</b> Sean.O'Donnell@flintshire.gov.uk

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Capital Programme:</b> 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.
7.02	<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.
7.03	<p><b>Acceptable Fail:</b> Welsh Government understand that some homes cannot receive the WHQS works due to 4 reasons, listed below:</p> <ol style="list-style-type: none"> <li>1. Works are physically impossible carry out,</li> <li>2. It is not cost effective to do the works,</li> <li>3. Timing (works due in near future already)</li> <li>4. Tenant refuses the improvements.</li> </ol> <p>These are called 'Acceptable Fails' and the Welsh Government will accept that 20% of our properties will be in this group. FCC have reduced this figure for the area to 10%; which is our current target</p>
7.04	<b>Wales Audit Office:</b> 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.
7.05	<b>Financial Year:</b> the period of 12 months commencing on 1 April
7.06	<b>Budget:</b> 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.
7.07	<b>PDA Solution:</b> Mobile hand held device used for capturing stock data directly linked to our asset database.
7.08	<p><b>Contract Framework:</b></p> <p>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.</p> <p>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.</p> <p>They often offer the most economic advantage in terms of value for money and local training provision.</p>