

**FLINTSHIRE COUNTY COUNCIL**

**REPORT TO:**           **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

**DATE:**                   **WEDNESDAY, 15 OCTOBER 2014**

**REPORT BY:**           **CHIEF OFFICER (COMMUNITY & ENTERPRISE)**

**SUBJECT:**               **WHQS DELIVERY PROGRAMME UPDATE**

**1.00**   **PURPOSE OF REPORT**

1.01   The purpose of this report is to gain the views of the Housing Overview and Scrutiny Committee on proposals for the delivery of the WHQS programme of works to achieve the standard by 2020.

**2.00**   **BACKGROUND**

2.01   During 2013, Welsh Government and Flintshire County Council had several task force meetings to discuss Flintshire County Council's Business Plan to achieve WHQS by 2020. Flintshire County Council could not achieve the 2020 target without prudential borrowing. (The achievement date was forecast to be 2022).

This in itself is a significant improvement on the Choices Document prediction of the year 2038.

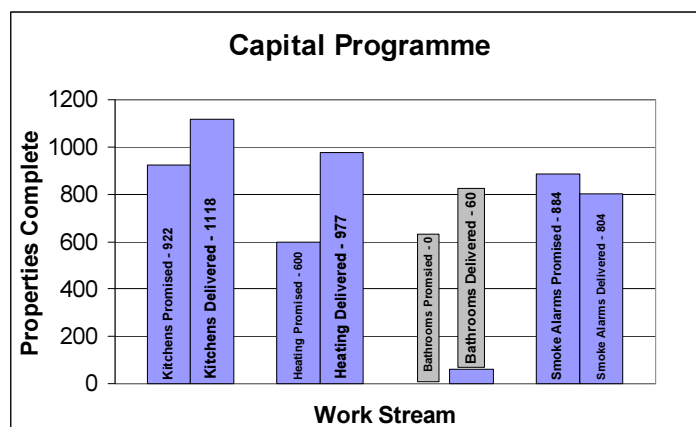
2.02   In December 2013, Flintshire County Council conducted a the first consultation exercise with the Tenants Federation and held a Mini-Conference to discuss initial thoughts around, a) Geographical delivery b) Whole House v Elemental approach, c) Timing of work stream delivery.

2.03   In December 2013, the development of Flintshire County Council's Asset Management Plan was completed outlining Flintshire's long term objectives including plans for the WHQS Delivery Programme.

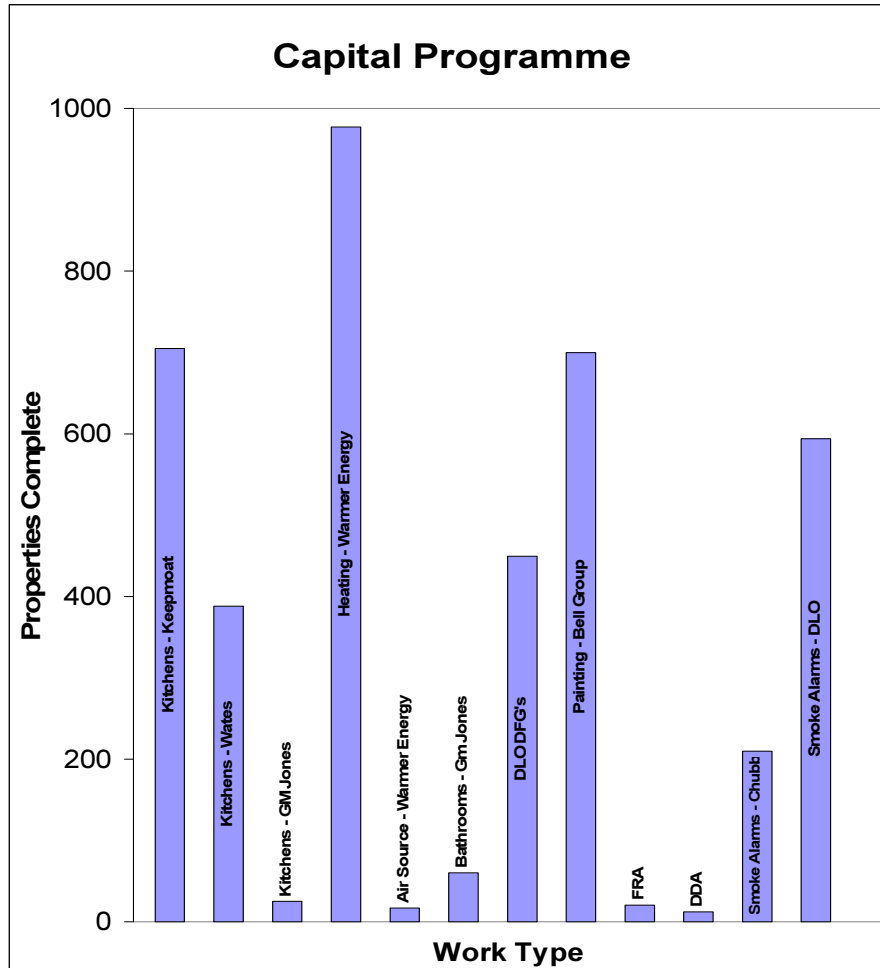
The Asset Management Strategy also set out plans to address other important factors such as, Energy Efficiency, estate re-modelling, Regeneration and strategies to minimise Anti Social Behaviour and the impacts of Welfare Reform.

Members were asked at the scrutiny committee on 8<sup>th</sup> January 2014 to consider the planning of the next phase of the investment programme and to consider the advantages of whole house versus elemental improvements and how the remaining work streams should be developed and delivered. It was also agreed that further consultations be held with tenant groups to help shape and develop the investment plan.

- 2.04 Between January and March 2014, the Council conducted a Stock Condition Survey with Savil's consultants. Savil's were appointed in 2007 to complete a 25% Stock Condition Survey and again in 2010 to complete a further 10%. Savil's were successful in their tender and were asked to complete the remaining 65% of stock. A copy of the Stock Condition Survey is available in the members library for review.
- 2.05 Between April and June 2014, the Capital Works Team worked closely with Savil's analysing the results and provisionally working up schemes against information that had been gathered. The results show that the data about stock condition and the financial assumptions that the council was using to plan its stock investment needs were broadly on target, and in line with the HRA Business plan. This will give reassurance to members.
- 2.06 Between April and August this year the Council engaged Asbestos Consultants to provide Surveys and Asbestos Registers for all their communal buildings. The purpose of this is to provide accurate data to enable the Management of Asbestos.
- 2.07 Currently new Fire Risk Assessments Surveys are being procured to update the 2010 surveys. The purpose of this is to provide accurate data to enable the Management of Fire Risk in communal areas. The Council has over 50 communal areas that require extensive management.
- 2.08 The Capital Works programme for 2013/14 was intended to provide 600 Heating upgrades, 922 Kitchen replacements and 884 Smoke Alarms. In the original Tenants Choices Document, there was no programme for Bathroom works, however some funding was allocated and the Capital Works Team were able to target 60 Bathroom Replacements. The Team also worked closely with the in-house Adaptations Team, providing additional funds for the DFG upgrades, which resulted in an additional 140 WHQS Bathroom installations. The chart below identifies the work streams managed by the team, comparing the number of properties the Authority promised to deliver, against the number of those properties actually achieved.



2.09 In addition to the four main streams of work, the team have also completed works following on from Fire Risk Assessments and to date have completed works to 20 communal areas. Further DDA Works targeting 12 communal areas has also been completed, helping the authority to fulfil its legal duties.



In 2014/15, schemes and contracts are in place for the following works; Fire Risk Assessment, DDA works, Kitchen Replacements, Heating schemes and Smoke Alarms. Additional funding had been identified in the Capital Programme for other work streams, including Bathroom Replacements, Roofing Replacements and Environmental Works.

2.10 The Asset Management Strategy aimed to continue providing job creation through the expenditure of the WHQS programme utilising Welsh Governments i2i initiative and through the Community Benefit tool kit supplied by Welsh Government.

Flintshire County Council aim to provide 200 local jobs and 20 apprenticeship schemes through their commitment of spending circa £100 million over all the streams of work to help achieve WHQS during 2014-2020.

The 200 local jobs are defined as, providing 2 persons per £1 million contract value. The 20 apprenticeships are defined as – 0.2 persons (or 11 person weeks) per £1 million contract value. Every vacancy on site including those with subcontractors, are notified to Flintshire County Council during the contract.

Statistics collected for the previous two years on WHQS Capital Works expenditure show;

- Year 1 (2012/13) WHQS expenditure on main contracts was circa £6m providing a requirement of 12 local jobs and 1.2 apprentices.
- Year 1 **achieved 47 local jobs and 5.6 apprentices.**
  
- Year 2 (2013/14) WHQS expenditure on main contracts was circa £5.5m providing a requirement of 11 local jobs and 1.1 apprentices.
- Year 2 **achieved 52 local jobs and 3.4 apprentices.**

A copy of the collated figures is attached to this report in Appendix A.

2.11 In July this year, The Housing Minister visited Flintshire to see from first hand experience, some of the difficulties that are presented to Flintshire County Council in their delivery of the WHQS programme. Issues that were presented were;

- The need to adapt properties to meet the challenges of Welfare Reform
- WHQS kitchen acceptable failures, due to sizes of kitchen area.
- Off Street parking issues.
- Utility costs associated with new services for Gas and Electric.
- External Wall Insulation projects to help combat Fuel poverty.

All these issues present Flintshire County Council with further expenditure costs, presenting challenging decisions about where and how to expend funds to achieve the WHQS by 2020.

### **3.00 CONSIDERATIONS**

3.01 The Capital Works Team utilised the Tenants Consultation exercise to gather evidence and data to help formulate ideas for the “new” WHQS Delivery programme. Letters were sent out to all Tenants requesting them to return a questionnaire or visit the Capital Works Team at planned consultation events.

The consultation events were centred around the towns and in essence around a Flintshire Connects Centre where one exists at present. Capital Works staff that attended, found it a worthwhile exercise and enjoyed the interaction listening directly to Tenants problems associated with our delivery programme.

In total the council received 1033 post returns and a total of 167 people attended the drop in sessions, giving a total of 1200 returns which represents a 17% return in total.

The Capital Works team assessed the feedback to ensure that a representative sample of Tenants from each area was collected from the returns. If the data had proved to be inadequate or low in certain areas, then further consultations would have been deemed necessary to ensure that all areas were fairly represented.

Residents from every ward responded, and each connects office area collected the following results as a percentage;

- Buckley 15% returns
- Connahs Quay 15% returns
- Flint 17% returns
- Holywell 19% returns
- Mold 18% returns

With particular reference to the wards that are located in more rural locations, examples of these areas are shown below as a percentage;

- Brynford 21% returns
- Cilcain 13% returns
- Ffynongrew 6% returns
- Gwernaffield 46% returns
- Higher Kinnerton 20% returns
- Cymau / Ffrith 7% returns
- Penyffordd 16% returns
- Treuddyn 21% returns
- Whitford 40% returns

The national average return for most surveys of this nature is 12% and this survey provided an average of 17% collectively. The questionnaire asked Tenants to provide their address, contact telephone numbers and age to help with profiling at a later date.

The question set consisted of;

1) Of the remaining Internal Workstreams, which work packages were they most comfortable with completing at the same time;

- Kitchen & Bathroom 41%
- Kitchen & Heating 8%
- Bathroom & Heating 20%
- Whole House 14%

2) Of the remaining Workstreams still to be completed, which of the following did they think should be a priority first;

- Envelope Works 58%
- External Paths & Fences 20%
- Environmental works e.g. off street parking 9%

3) Which of the following Connects office would they utilise for any issues they may wish to raise? The purpose of this question was to see if the Capital Works Team assumption of which Connects Centre people would use, were in line with our current thoughts. The Capital Works Team has grouped wards into Geographical areas to aid in the Delivery Programme for various contract packages.

3.02 In planning the next steps, the first item to consider was re-defining the Geographical areas. Ideally the County could be split into 'X' amount of practical Districts (similar quantity of properties), providing a manageable workload for future work packages to be let to contractors and for in house staff to work within.

As the numbers were analysed, the wards were grouped around the towns initially, such as Holywell, Flint, Mold, Buckley, Connahs Quay / Shotton and Deeside / Saltney. At this process, each town with associated wards attached, provided property numbers around 1,000 / 1,500 per district.

The list of every ward included in each proposed Delivery District, is attached to this report as Appendix B.

An outline map of these districts is attached to this report as Appendix C.

3.03 Following development of the proposed district areas, the next step was to analyse what's left to deliver. The Four work streams previously identified and agreed are:

- Internal workstreams – Kitchens, Bathrooms, Heating, Re-wires, Smoke Alarms etc.
- Envelope workstreams – Roofing, Chimney work, Roofline works (Gutters, fascias etc), Windows / Doors, Re-pointing / re-rendering etc.
- External workstreams – Fencing, Paths etc
- Environmental workstreams – Estate wide projects to include off street parking and larger environmental projects.

The Internal and Envelope workstreams have been prepared first in line with priorities identified by tenants. Both of these streams of work are being overlaid on a map of each district to ensure that each district has a workstream occurring in each and every year of the Delivery Programme.

A Draft programme of works showing total numbers of works required for each District is attached to this report in Appendix D.

3.04 It is envisaged that the External curtilage workstreams could either be aligned around a new Cyclical Painting programme or considered as part of the wider Environmental projects.

- 3.05 The council will be tackling area specific issues and projects in the WHQS delivery through its Environmental schemes. Consultations will be required with Tenants and Elected Members, to identify issues in specific areas and wards. It is envisaged that individual feasibility studies will be conducted in conjunction with ward representatives to enable this workstream to be formulated.

The Vibrant and Viable Places programme has an element of Environmental works in the proposal and as such this must be taken into account when formulating the timescales and work content in the areas covered by this programme.

- 3.06 Another consideration for Environmental projects is the results / conclusions from the ongoing Garage review. Officers have been reviewing options after the recent Members workshops. The following options are the latest considerations for the 95 sites identified;

- Option A - Demolition / clearance and replacement with open parking. Circa 7 sites identified.
- Option B – Demolition / clearance and replacement in future with alternative uses e.g. allotments; play facilities; or public open space. Circa 8 sites identified.
- Option C – Retain, review management and conduct detailed work on retention options. Circa 34 sites identified.
- Option D – Garages to be demolished but sites to be retained with Housing Development potential. Circa 21 sites identified.
- Option E – Further exploratory work required. Circa 17 sites identified.
- 8 Nr sites identified that require more information.

There is confidence that the sites identified are a full and comprehensive list. The specific proposals for each site will be discussed further with local members prior to being finalised and cabinet approval sought on firm options.

- 3.07 To ensure that the jobs and training targets continue to be delivered; it is the council's intention to work closely with other organisations namely other local authorities, Cambria College, Job Centre Plus and the CIH to pursue the option of setting up a Job Academy to facilitate placement of individuals on apprenticeship schemes.

Non-core Community Benefits will also continue to be met with the assistance of contractors providing support to community initiatives, such as the two recent Contractor Awareness day events that have been held in secondary schools in Flintshire.

Another example of wider Community Benefit will be through the off gas programme, whereby the utility company, contractor and supplier will be providing central heating to the Mostyn Community Centre as a result of working together on the off gas programme.

- 3.08 Recent communication through workshops with Welsh Government has resulted in recommendations for each Landlord in Wales to consider its compliance measures for the Welsh Housing Quality Standard. Each Landlord has been requested to provide their own 'Compliance Document'.
- 3.09 Once the new WHQS delivery programme has been agreed, then the Capital Works Team will begin procuring contractors for works to commence in April 2015. It is the intention to use a mixture of larger PLC contractors and to fully utilise the Small to Medium Enterprises in Flintshire. The DLO will also have the opportunity to continue to complete Capital Works projects.
- 3.10 The Capital Works Team will ensure they continue with the support from the Tenants Federation, in the procurement and monitoring of contractors on the WHQS delivery programme. This has proved successful and the team wish to build on this area of joint partnership working.

### **CONCLUSION**

A significant amount of planning and analysis has been undertaken since the last report to scrutiny committee and this is described in this report. The next stage is to finalise the new 6 year programme which will see all stock achieve the WHQS by 2020.

Should members be supportive of the six district areas identified in this report, then the next stage in development of the programme is to hold a members work shop to consider and agree the plans for investment in each area.

### **4.00 RECOMMENDATIONS**

- 4.01 Members are requested to support the 6 proposed District areas as an appropriate grouping of properties to enable officers to finalise the WHQS delivery programme and to develop proposals for which particular work stream should be completed in which year. These will be discussed prior to finalisation at a members workshop.
- 4.02 It is recommended that further consultations take place to agree the scope and content of environmental work streams in each area after internal and external work streams are well underway.

### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The Housing Revenue Account 30 Yr business plan includes a capital programme of £103 million pounds in order to achieve WHQS by 2020. This business plan maximises revenue streams and control of costs in order to invest as much as possible into the capital program each year to meet this target. As part of the HRA self financing buy out the council



has also set aside £20 million of its borrowing cap to invest in the capital programme should it require additional funds in order to achieve WHQS within the agreed timeline.

5.02 The programme varies in scale and scope each year. 6% of budget is set aside per annum for staff costs and 3% is set aside for contingencies which are both in line with industry averages. These costs have kept well within budget to date. Some work streams will require more extensive staffing input and the team resource will need to ebb and flow to meet the needs of the programme.

5.03 The current market is showing a more buoyant construction market and contractors are beginning to be more selective in their tenders. The Market Conditions and Tender Prices over the next six years could fluctuate though inflation has been built into the business plan assumptions.

## **6.00 ANTI POVERTY IMPACT**

6.01 There will be local job creation through these significant investment programmes. Work streams to improve the housing stock provide a direct benefit to the lives and living conditions for some of the poorest Flintshire residents.

## **7.00 ENVIRONMENTAL IMPACT**

7.01 The agreed approach will have an impact on the external environment of all areas, affecting both the aesthetics of the landscape and the social impact on the surrounding areas.

7.02 The Vibrant and Viable bid will also have an impact on the surrounding Environment through the work packages being delivered.

## **8.00 EQUALITIES IMPACT**

8.01 A large percentage of the housing stock are allocated to older people, therefore, the proposals in this paper will have a positive impact on this customer group.

## **9.00 PERSONNEL IMPLICATIONS**

9.01 The WHQS expenditure will provide job creation through the i2i initiative and the Capital Works team will have potential for growth in staff to deliver the WHQS Delivery Programme.

## **10.00 CONSULTATION REQUIRED**

10.01 Further Environmental Consultations / Workshops in individual wards.

10.02 Feedback required on the delivery programme based on the information supplied to each District.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Tenants Mini-Conference Workshop.

11.02 Member / Officer Working groups.

11.03 Tenants Consultations at Connect Centres.

**12.00 APPENDICES**

A Community Benefits data for 2012/13 and 2013/14.

B List of wards in each new delivery District.

C Map showing District areas.

D Draft delivery programme per district.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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