



CAERPHILLY HOMES TASK GROUP – 5TH DECEMBER 2013

SUBJECT: WHQS MONITORING REPORT APRIL TO SEPTEMBER 2013

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 It focuses upon the WHQS programme for 2013-14.
- 1.2 The report also provides details of the 2012-13 statutory return required by the Welsh Government, along with a narrative on the expected compliance of the housing stock during the period 2013-20.
- 1.3 Details of the capital expenditure programme for 2013-14 for WHQS works are also included.

2. SUMMARY

- 2.1 The report describes the arrangements that have been put in place to monitor and manage the performance of the WHQS programme for 2013-14. This includes a number of performance 'dashboards' used by a range of staff within the WHQS team. Performance is monitored and managed formally via the WHQS Management Delivery Team meetings, which occur every fortnight and will periodically be reported to the Caerphilly Homes Task Group.
- 2.2 The original WHQS internal works programme for 2013-14 included 642 properties. Work on these properties is being undertaken by the in-house workforce, supported by specialist sub-contractors. After six months 325 of these properties are compliant in respect of their internal elements. An additional 203 properties have been added to the 2013-14 internal works programme in order to ensure that the in-house workforce have a sufficient throughput of work. Details of compliance levels for each of the 28 contracts in the internal works programme 2013-14 are included in the report.
- 2.3 Surveys have been completed for 95% of the properties within the internal works programme for 2013-14. The surveys have shown that a significant proportion of tenants already have compliant elements within their homes. If this level of pre-existing compliance is consistent in future years, it will have implications for the remaining WHQS programme, in terms of the volume and value of work to be completed
- 2.4 Each year the Welsh Government requires CCBC to report on housing stock compliance with the WHQS. This statistical 'Return' is a snapshot of compliance at a point in time (31st March 2013 in this instance). The Return reports that 1% of the stock is currently WHQS compliant (63 properties). This is a low figure but it is to be expected at this early point within the WHQS programme. The report provides an analysis of the anticipated full WHQS compliance levels over the course of the programme from 2013-2020.

3. LINKS TO STRATEGY

- 3.1 **National Housing Strategy:** The Welsh Assembly Government's National Housing Strategy 'Better Homes for People in Wales' (2001) has key themes of quality and choice. The WAG vision for housing "*wants everyone in Wales to have the opportunity to live in good quality, affordable housing*".
- 3.2 **The Single Integrated Plan 2013-2017 has a priority to:** "*Improve standards of housing and communities giving appropriate access to services across the county borough*".
- 3.3 **Local Housing Strategy 2008-2013:** Property Theme: "*Providing the opportunity for everyone to live in affordable, sustainable, good quality housing, regardless of tenure.*" And links specifically to Strategic Aim 6: Housing Management, "*To provide good quality, well-managed homes in communities where people want to live, and offer people housing choices which meet their needs and aspirations.*"

4. THE REPORT

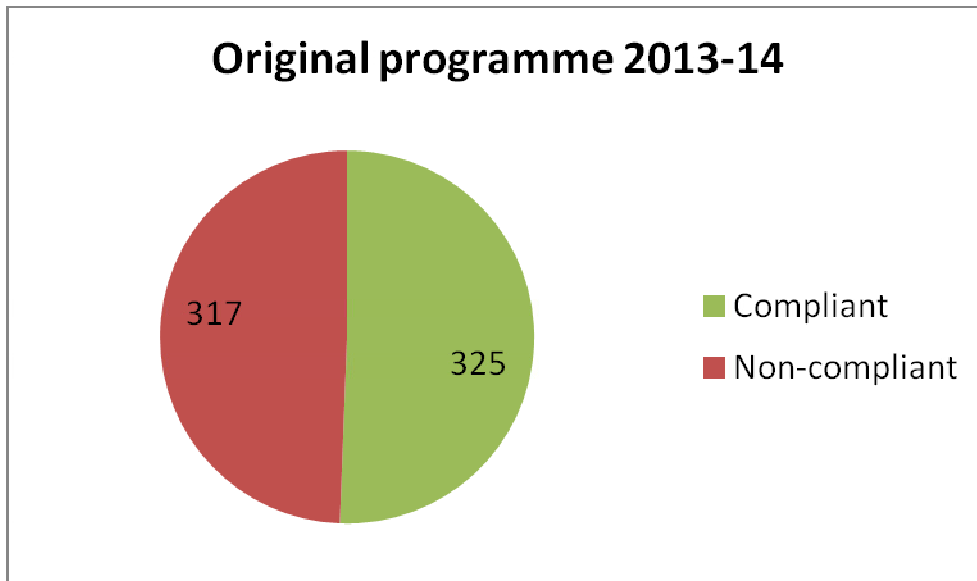
4.1 Performance Monitoring and Management Arrangements

- 4.2 The performance of the WHQS Team is monitored using reports based on data within the Keystone asset management system. This system records information relating to the age of individual components within council homes, along with the estimated costs associated with replacing those components. The system is also used to monitor the contracts within the WHQS programme, and the actual costs associated with those contracts.
- 4.3 Performance is monitored continually via a number of bespoke dashboards that have been created. The Internal Works Volume Metrics dashboard provides 'real time' information on the progress of all internal works contracts (see Appendix 1). The Internal Works Financial Metrics dashboard provides up-to-date information on the costs incurred by all internal works contracts based on a Schedule of Rates used by Savills, as part of the stock condition survey carried out in 2008, together with an 'in-house' Schedule of Rates (see Appendix 2). Similar dashboards are also available for contracts involving 57 properties of non-traditional construction that are undergoing both internal and external works in 2013-14.
- 4.4 All the dashboards allow staff to drill down to see individual property detail from a high level summary view. In the second half of 2013-14 it is anticipated that an additional dashboard will be available which will facilitate the monitoring of tenant/leaseholder satisfaction levels for each individual internal works contract. Further dashboards will be developed for the external works programme which commences in 2014-15.
- 4.5 Performance is reported formally to the fortnightly WHQS Management Delivery Team Meetings. Underperformance is challenged during these meetings and performance information is also used to develop forward planning strategy.
- #### **4.6 Progress of the Internal Works Programme 2013-14**
- 4.7 The WHQS programme for 2013-14 consists primarily of internal works carried out by the in-house workforce to 845 properties. These works include the four main internal elements; kitchens; bathrooms; heating; and electrical systems. The programme originally contained 642 properties, but this was expanded to 845 when performance monitoring led to the conclusion that the in-house workforce would run out of work by January 2014. This was predominantly due to elements within tenants homes already achieving compliance, therefore the demand for work originally anticipated reduced to the extent that programmes of work from the following year could be brought forward to ensure continuity of work for the in-house team.

4.8 Pie chart 1 (below) shows that at the time of writing 325 properties out of the original programme this year are now compliant in relation to their internal elements. 'Compliance' indicates that a property meets the WHQS internally because:

- Works have been carried out to renew one or more elements to achieve compliance.
- One or more elements within a property was already compliant.
- The tenant refused the renewal of one or more elements (this is classed as an acceptable fail – resident choice).
- Or any combination of the above reasons.
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4.9 Pie chart 1: Internal works compliance (2013-14 original programme)



4.10 Contract work is delivered and managed in three geographical areas; Eastern Valleys; Lower Rhymney Valley; and Upper Rhymney Valley. Table 1 (below) reports on compliance levels within each of the 28 in-house internal works contracts in the 2013-14 WHQS programme. It reveals that 38% of the properties in the expanded programme are now compliant. Where contracts have a low level of compliance it indicates that works have not yet commenced, or have not yet been completed.

4.11 Table 1: Internal works compliance per contract (2013-14 expanded programme)

Area	Contracts within Internal Works Programme 2013-14	Non-Compliant	Compliant	Grand Total	% Compliant
Eastern Valleys	INT13D-E01 CLAREMONT ROAD\HAZELWOOD ROAD		22	22	100%
	INT13D-E02 ELLESMERE COURT\OLD PANT ROAD	5	19	24	79%
	INT13D-E03 CORONATION CRESCENT\HILARY ROAD	4	21	25	84%
	INT13D-E04 NEWLYN ROAD\STONERWOOD VIEW	17	6	23	26%
	INT13D-E05 ST PETERS CLOSE\TIR Y PWLL TERRACE	9	20	29	69%
	INT13D-E06 GREENLANDS\HILLTOP CRESCENT\SUNNYCREST	31		31	0%
	INT13D-E07 PANT VIEW\QUEENS ROAD	18	7	25	28%
	INT13D-E08 CARLYON RD\ROSE CT\CEFN CT *	24		24	0%
	INT13D-E09 GLANSHON\LINDEN\WILLOW COURTS *	35		35	0%
Lower Rhymney Valley	INT13D-L01 CASTLE & MOUNTAIN VIEW\CENTRAL & NEW ST	1	37	38	97%
	INT13D-L02 THOMASVILLE	4	27	31	87%
	INT13D-L03 TY NANT	2	27	29	93%
	INT13D-L04 PLAS CWM PARC		29	29	100%
	INT13D-L05 PLAS CWM PARC	14	16	30	53%
	INT13D-L06 ALEXANDER TERRACE\CENYDD TERRACE\COMMER	17	6	23	26%
	INT13D-L07 TAN Y BRYN TERRACE	33	3	36	8%
	INT13D-L08 FIRST AVENUE *	38	4	42	10%
Upper Rhymney Valley	INT13D-U01 GLANYNANT	3	21	24	88%
	INT13D-U02 ANUERIN TERRACE\ISFRYN	4	26	30	87%
	INT13D-U03 HEOLYTWYN	10	14	24	58%
	INT13D-U04 HEOL UCHAF\LOWER ROW\PHILLIPS WALK	57	7	64	11%
	INT13D-U05 PENYDRE	32	1	33	3%
	INT13D-U06 ROWAN PLACE	36		36	0%
	INT13D-U07 ROWAN PLACE	36		36	0%
	INT13D-U09 TY COCH (1-40) *	36	1	37	3%
	INT13D-U10 TY COCH (41-116) *	34	1	35	3%
	INT13D-U11 MISC CATCH UP *	6		6	0%
	INT13D-U08 YSGWYDDGWYN *	14	10	24	42%
	Grand Total	520	325	845	38%

Note: An * after the contract name indicates that it was not part of the original 2013-14 programme.

4.12 The Nature of Compliance within the Internal Works Programme 2013-14

4.13 A property may be WHQS compliant for a number of reasons. Surveys have been completed for 95% of the properties within this year's programme. Table 2 (below) provides a summary of the outcome from the surveys. The table indicates whether; the in-house workforce have carried out full or partial works; external sub-contractors have carried out full or partial works; works of adaptation have been carried out; tenants have refused works; or where an element was already compliant with the WHQS, and will be until 2020 ('Achieved previously').

4.14 Table 2: The nature of WHQS compliance for internal works (2013-14 expanded programme)

Surveyed works within Internal Works Programme 2013-14	Kitchens	Bathrooms	Electrics	Heating
Full Works Completed	193	161	21	3
Full Works Identified	271	262	9	0
Full Works Completed (Sub-Contractor)	0	0	133	71
Full Works Identified (Sub-Contractor)	0	0	33	101
Full/Adapted Works Completed	0	16	0	0
Full/Adapted Works Identified	0	41	0	0
Partial Works Completed	38	38	46	0
Partial Works Identified	36	71	230	1
Partial Works Identified (Sub-Contractor)	0	0	3	0
Refusals	63	38	2	23
Achieved Previously	197	173	304	633
Totals	798	800	781	832

4.15 This information is displayed graphically in a series of pie charts (below). These reveal that a significant proportion of properties have already achieved the WHQS standard for one or more internal elements. For example, at the higher end, 76% of heating systems surveyed were already compliant and required no work, and at the lower end 21% of bathrooms were already compliant. This compliance is due to the significant capital investment in the housing stock prior to 2013-14.

4.16 If this level of pre-existing compliance is consistent in future years, it will have implications for the remaining WHQS programme in terms of the volume and value of work to be completed. While on the face of it this will have a positive impact on the WHQS business plan by incurring less costs than forecast additional costs have already been added for decoration of kitchens and bathrooms that were not originally budgeted. There is also uncertainty about the extent of external works until the surveys are undertaken. An additional cost has been identified in respect of sheds and out-houses. It was anticipated there would be significant variances as the implementation of the WHQS programme progressed and surveys confirmed the actual position on the ground.

4.17 Pie Charts 2-5: The nature of WHQS compliance within the 2013-14 internal works programme.

Chart 2.

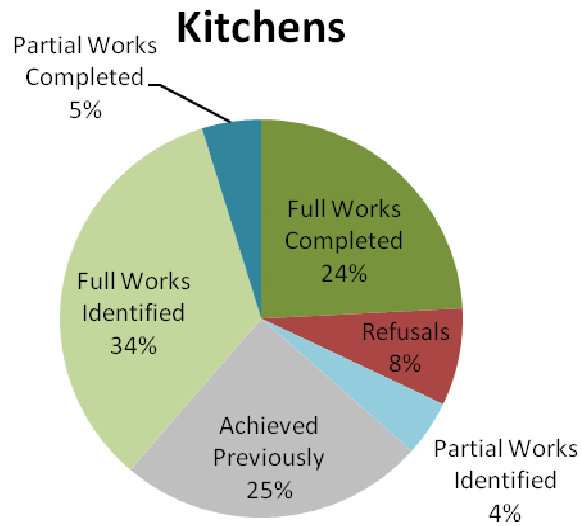


Chart 3.

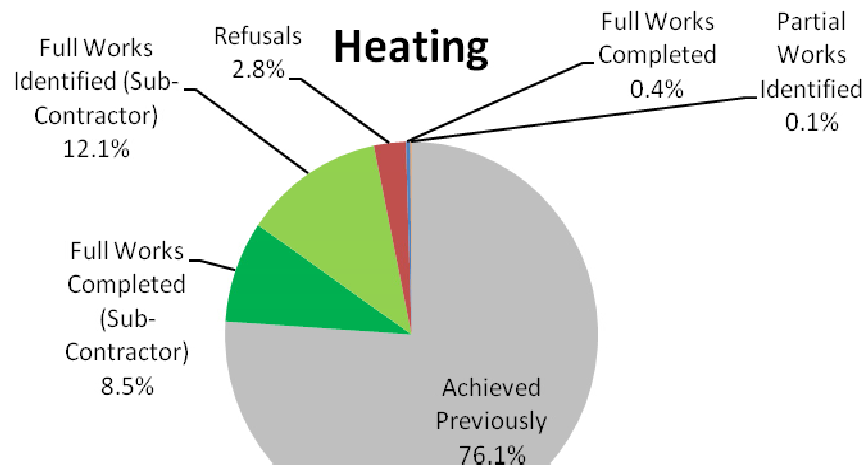
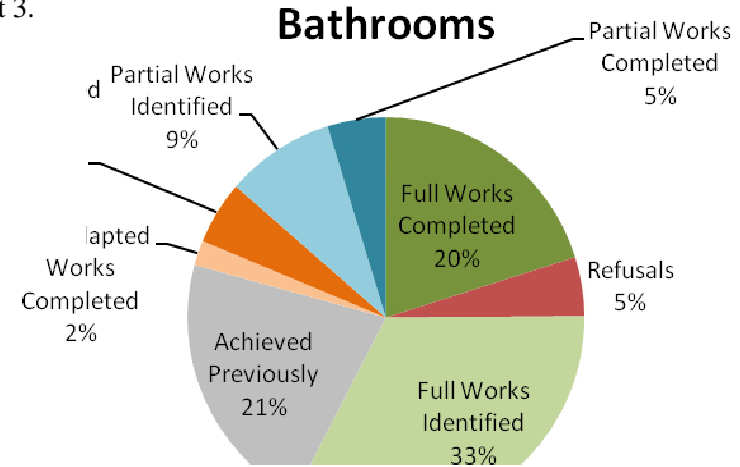


Chart 4.

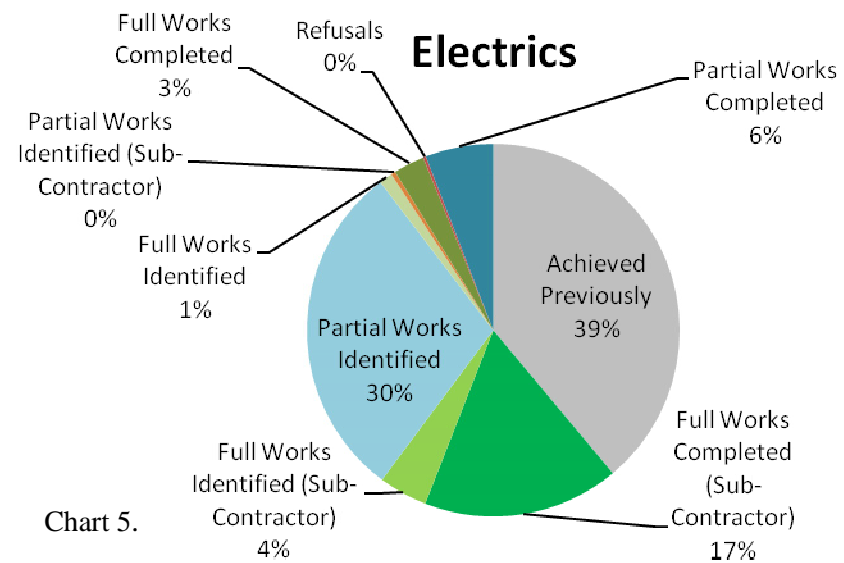
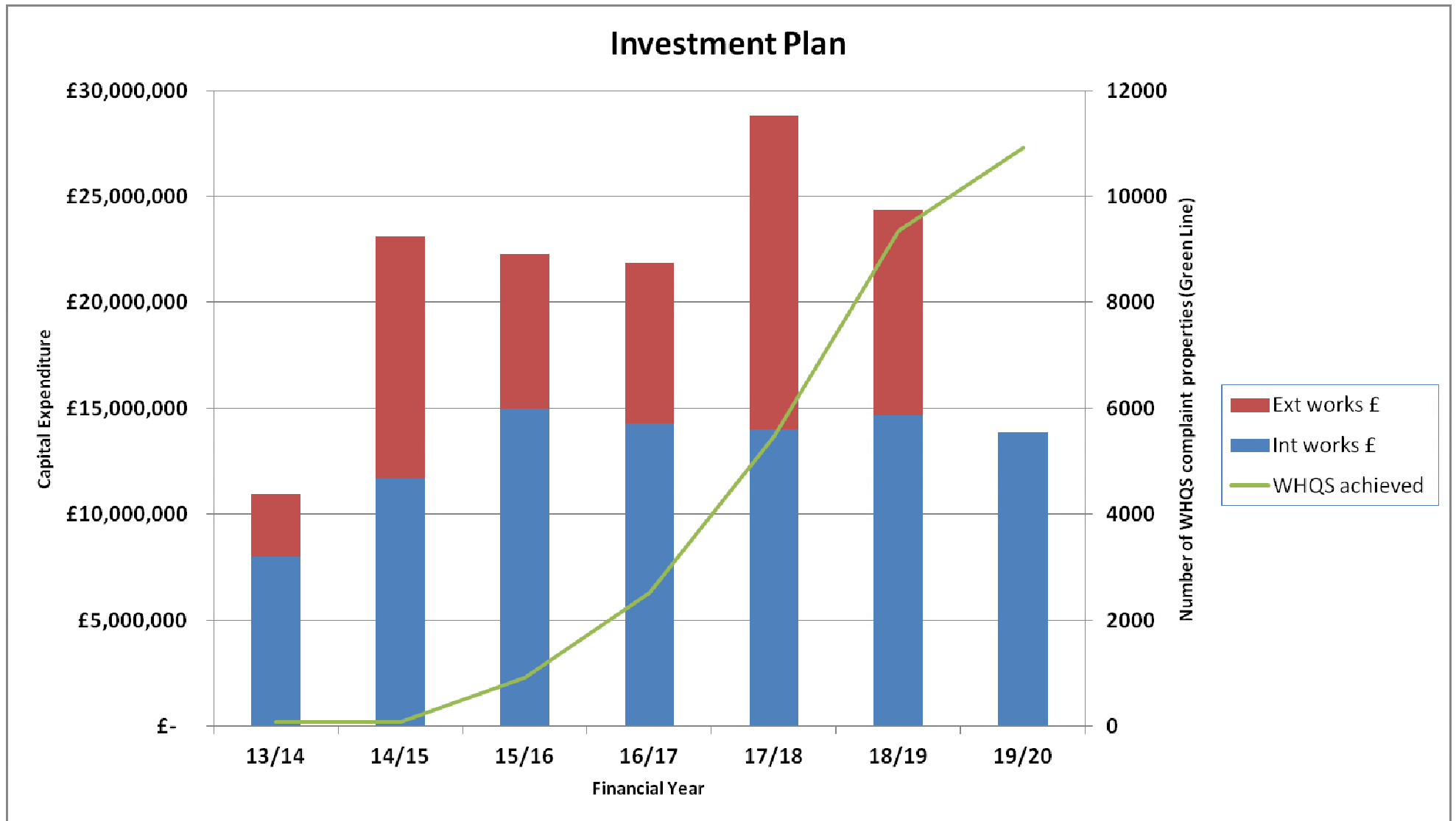


Chart 5.

4.18 **The Welsh Government Annual Statistical Return for the WHQS**

- 4.19 Each year the Welsh Government requires the Council to report on housing stock compliance with the WHQS. This statistical 'Return' is a snapshot of compliance at a point in time (31st March 2013 in this instance). A copy of Tables 1 and 2 of the CCBC Return have been included in Appendix 3 for information.
- 4.20 The Return reports that 1% of the stock is currently fully WHQS compliant (63 properties). This is a low figure but it is to be expected at this early point within the WHQS programme. Although many properties have achieved compliance for internal works (as reported above), the external works programme has still to commence. Table 2 shows that for some individual components compliance levels are high e.g. windows 92% and external doors 88%.
- 4.21 As internal works and external works are being carried out in separate financial years for each community an analysis of the programme reveals that WHQS compliance will be low during the early years of the programme, but will accelerate rapidly during the last few years – see Chart 6 below. For example, in 2015-16 only 23% of properties will be fully compliant, but two years later in 2018-19 this jumps to 86% fully compliant.
- 4.22 It is worth noting that it is unlikely that we will ever achieve 100% compliance. This is because at any point in time it is likely that one or more components in our housing stock will have reached the end of their lifecycles and will therefore become non-compliant. Because it is cost effective to group works in contracts and by community, it will be the case that some components may therefore be non-compliant for some time before being replaced.

4.23 Chart 6: Anticipated full compliance against the WHQS 2013-20 (WHQS Programme capital expenditure included for information).



4.24 The Capital Expenditure Programme for WHQS Works (2013-14)

- 4.25 The WHQS works programme intended for this year currently remains on target in terms of areas to be covered. However, the actual works to individual properties can only be confirmed by site surveys and these surveys have evidenced a significant amount of work (approx 40%) that has already achieved the WHQS standard in earlier years, along with refusals of around 5%. This has impacted on the anticipated expenditure for this year.
- 4.26 There will therefore be variances to the initial projected costs and as noted earlier in this report, some internal works have been advanced from 2014/15 to maintain the workflow of the in-house team. Further costs have also been identified for work outside the WHQS programme which cannot be delayed to fit into the works schedule, such as emergency heating installations. As at period 6 an underspend of some £2.6m is anticipated which represents the high volume of previously achieved work identified to date.
- 4.27 The outturn shown in Appendix 4 is based on a mixture of the Savills Schedule of Rates (SOR) together with an 'in-house' Schedule of Rates which has been used to cost up the programmes of work in Keystone. The actual costs of the in-house workforce will be compared to the Savills SOR used in Keystone, but a sample of completed contracts are required to evaluate and confirm these costs before a robust comparison can be made.
- 4.28 It is expected that the Major Repairs Allowance (MRA) allocated by WG of £7.3m will be fully expended against the programme this year. The remaining funding of £5.7m will be a contribution from the HRA and this remains affordable.
- 4.29 The Councils Business Plan (which is scrutinised by WG each year and is relied upon to release the MRA funding), allows for the expenditure mentioned in this report and forecasts for the next 30 years. The plan remains viable at this stage assuming all other assumptions remain the same.

5. EQUALITIES IMPLICATIONS

- 5.1 An Equalities Impact Assessment is not needed because the issues covered are for information purposes only, therefore the Council's full EIA process does not need to be applied.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications for the capital programme arising from the first six months of 13/14 are outlined in the report.

7. PERSONNEL IMPLICATIONS

- 7.1 There are no personnel implications that relate to this monitoring report. However delivery of the programme to the timescale agreed requires the appropriate staff resource.

8. CONSULTATIONS

- 8.1 Comments received from Consultees have been incorporated within the report.

9. RECOMMENDATIONS

- 9.1 The report is for information.

10. REASONS FOR THE RECOMMENDATIONS

10.1 To inform the Caerphilly Homes Task Group of progress in implementation of the WHQS Programme.

11. STATUTORY POWER

11.1 Housing Acts 1985, 1996 and 2004

Author: Phil Davy, Head of Programme (WHQS). Rhys Lewis, Systems and Performance Manager. Lesley Allen, Group Accountant (Housing)
Email contact: Rhys Lewis lewisr1@caerphilly.gov.uk
Telephone: Rhys Lewis 01443 866482

Consultees: Cllr Gerald Jones – Deputy Leader & Cabinet Member for Housing
Cllr Keith Reynolds - Deputy Leader & Cabinet Member for Corporate Services
Shaun Couzens – Chief Housing Officer
Nicole Scammell – Acting Director of Corporate Services & S151 Officer
Dan Perkins – Head of Legal Services
Stuart Rosser – Interim Chief Executive
Colin Roden – WHQS Implementation Project Manager
Alan Edmunds – WHQS Implementation Project Manager
Steve Greedy – WHQS Implementation Project Manager
Jane Roberts-Waite – Strategic Co-ordination Manager - WHQS Programme

Appendices:

Appendix 1 - Internal Works Volume Metric Dashboard

Appendix 2 - Internal Works Financial Metric Dashboard

Appendix 3 - Tables 1 & 2 of the annual statistics return to WG on housing stock compliance

Appendix 4 - WHQS budget monitoring report 2013/14