



## CAERPHILLY HOMES TASK GROUP – 3RD JULY 2014

**SUBJECT: WHQS MONITORING REPORT 2013-2014 (END OF YEAR)**

**REPORT BY: INTERIM CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 This report provides members of the Task Group with an overview of the performance of the WHQS Team during the financial year 2013/14. This data is as recorded in Keystone at end of May 2014.
- 1.2 The report also provides details of the 2013-2016 Outcome Agreement which is a formal agreement with the Welsh Government, along with a narrative on the expected progress to WHQS compliance.
- 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.
- 2.2 The original WHQS internal works programme for 2013-14 included 642 properties. Work on those properties was undertaken by the in-house workforce, supported by specialist sub-contractors. An additional 203 properties were added to the 2013-14 internal works programme in order to ensure that the in-house workforce had a sufficient throughput of work. At May 2014 657 of these 845 properties are compliant in respect of their internal elements. Details of compliance levels for each of the 28 contracts in the internal works programme 2013-14 are included in the report.
- 2.3 The report provides a breakdown of how we are achieving WHQS compliance and identifies 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 significant implications for the remaining WHQS programme, in terms of the value of work to be completed.
- 2.4 Arrangements have now been put in place to measure tenant satisfaction levels with the internal works that are being carried out within their homes. Our survey indicates that the current level of overall satisfaction is 92%, which is above our target of 80%. The report also identifies how we are measuring our achievement of the service standards set out in the Charter for Trust. Surveys indicate that we are currently meeting 85% of our service standards, which is below our target of 90%.

### **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**

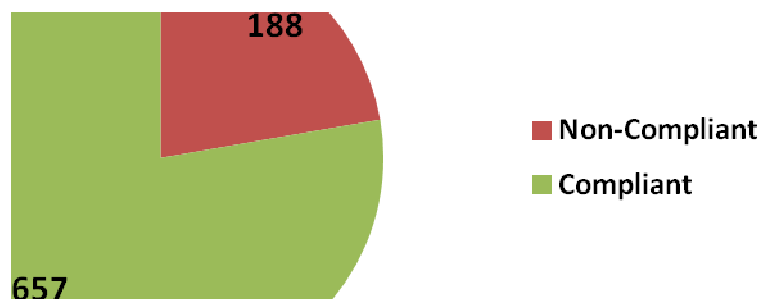
- 4.2 The performance of the WHQS Team is monitored using reports based on data within the Keystone asset management system. This system records information relating to the age of individual components within council homes, along with the estimated costs associated with replacing those components. The 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 by the Housing Systems and Performance team. 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 The last WHQS monitoring report presented to the CHTG in December 2013 stated that by the end of 2013-14 the Housing Systems and Performance team would put in place measures to record tenant satisfaction levels for every internal works contract within the WHQS programme. These measures are now in place and dashboards have been created that report on satisfaction levels and the issues that tenants have raised in relation to these surveys (see Appendices 3 and 4).
- 4.5 All the dashboards allow staff to drill down to see individual property detail from a high level summary view. Further dashboards will be developed for the external works programme which commenced in April 2014.
- 4.6 Performance is reported formally to the fortnightly WHQS Management Delivery Team Meetings. Under-performance is challenged during these meetings and performance information is also used to develop forward planning strategy.
- 4.7 **Progress of the internal works programme 2013-14**
- 4.8 The WHQS programme for 2013-14 consisted 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 2013-14 programme originally contained 642 properties, but this was expanded to 845 when performance monitoring led the Implementation Managers to conclude that the in-house workforce would run out of work by

January 2014. This decision was made because surveys were identifying that a high level of elements within tenants' homes were already achieving compliance with the WHQS, 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 workforce.

4.9 Pie chart 1 (below) shows that at the time of writing 657 properties out of the expanded 2013-14 programme are now compliant in relation to their internal elements. 'Compliance' indicates that a property meets the WHQS internally because:

- We have carried out works to renew one or more elements to achieve compliance.
- One or more elements within a property were 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.

4.10 Pie chart 1: Internal works compliance (2013-14 expanded programme)



4.11 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 78% of the properties in the expanded programme are now compliant. Where contracts have a low level of compliance, typically it indicates that works have not yet commenced, or have not yet been completed.

4.12 The Lower Rhymney Valley area has the highest level of WHQS compliance with 249 out of 258 compliant. The Eastern Valleys area has two contracts that are still not yet complete where works are continuing in 2014-15 (approximately 19 properties) and compliance in this area stands at 211 out of 238. The Upper Rhymney Valley area has the lowest level, where 197 out of 349 are compliant. This is due to:

- Contract U04 - Heol Uchaf/etc, where there are 40 properties without any electrical information.
- Contracts U06 and U07 - Rowan Place, where 62 properties are outstanding due to reconsideration of works programme due to extensive damp and disrepair.
- Contracts U09 and U10 - Ty Coch, where works on 32 properties are still underway.

4.13 Work is being undertaken continually by Housing Systems and Performance team to audit the quality of the internal works data within the Keystone asset management system and to work together with operational staff to rectify any data errors or conflicts. This should ensure that once all works are completed on the 2013-14 internal works programme the overall compliance figure should achieve 100%.

4.14 Table 1: Internal works compliance per contract (2013-14 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	2	22	24	92%
	INT13D-E03 CORONATION CRESCENT\HILARY ROAD	1	24	25	96%
	INT13D-E04 NEWLYN ROAD\STONERWOOD VIEW		23	23	100%
	INT13D-E05 ST PETERS CLOSE\TIR Y PWLL TERRACE		29	29	100%
	INT13D-E06 GREENLANDS\HILLTOP CRESCENT\SUNNYCREST		31	31	100%
	INT13D-E07 PANT VIEW\QUEENS ROAD	3	22	25	88%
	INT13D-E08 CARLYON RD\ROSE CT\CEFN CT *	5	19	24	79%
	INT13D-E09 GLANSHON\LINDENWILLOW COURTS *	16	19	35	54%
Lower Rhymney Valley	INT13D-L01 CASTLE & MOUNTAIN VIEW\CENTRAL & NEW ST		38	38	100%
	INT13D-L02 THOMASVILLE		31	31	100%
	INT13D-L03 TY NANT	1	28	29	97%
	INT13D-L04 PLAS CWM PARC		29	29	100%
	INT13D-L05 PLAS CWM PARC	1	29	30	97%
	INT13D-L06 ALEXANDER TERRACE\CENYDD TCE	2	21	23	91%
	INT13D-L07 TAN Y BRYN TERRACE	2	34	36	94%
	INT13D-L08 FIRST AVENUE *	3	39	42	93%
Upper Rhymney Valley	INT13D-U01 GLANYNANT	2	21	24	91%
	INT13D-U02 ANUERIN TERRACE\ISFRYN	3	27	30	90%
	INT13D-U03 HEOLYTWYN		24	24	100%
	INT13D-U04 HEOL UCHAF\FLOWER ROW\PHILLIPS WALK	39	25	64	39%
	INT13D-U05 PENYDRE	2	31	33	94%
	INT13D-U06 ROWAN PLACE	27	9	36	25%
	INT13D-U07 ROWAN PLACE	36	0	36	0%
	INT13D-U08 YSGWYDDGWYN *	6	19	24	76%
	INT13D-U09 TY COCH (1-40) *	7	30	37	81%
	INT13D-U10 TY COCH (41-116) *	25	10	35	29%
	INT13D-U11 MISC CATCH UP *	5	1	6	17%
	<b>Grand Total</b>	<b>188</b>	<b>657</b>	<b>845</b>	<b>78%</b>

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

4.15 **The nature of compliance within the internal works programme 2013-14**

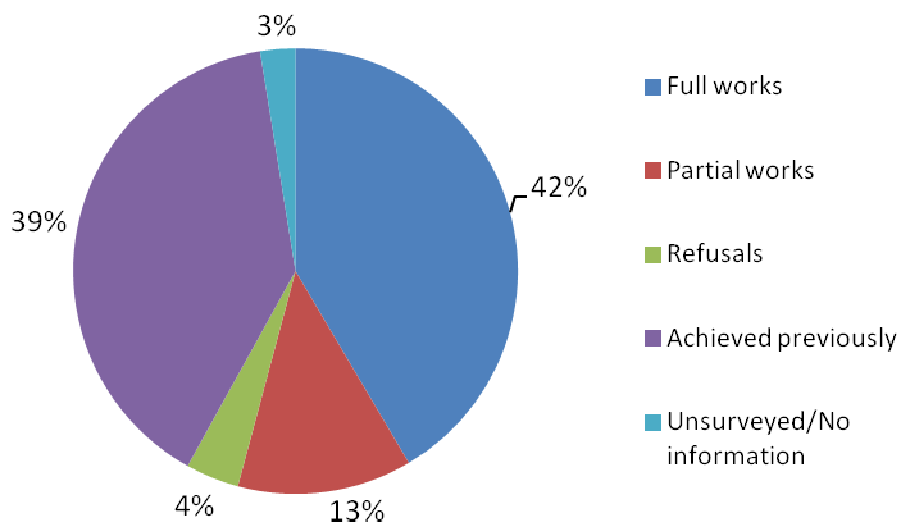
4.16 As mentioned above, a property may be WHQS compliant for a number of reasons. Table 2 (below) provides a breakdown of these reasons by property element. The table indicates whether; the in-house workforce have carried out full or partial works; external sub-contractors have carried out full or partial works; works of adaptation have been carried out; tenants have refused works which is classed as an 'Acceptable Fail' under WHQS guidance; or where an element was already compliant with the WHQS, and will be until 2020 ('Achieved previously').

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

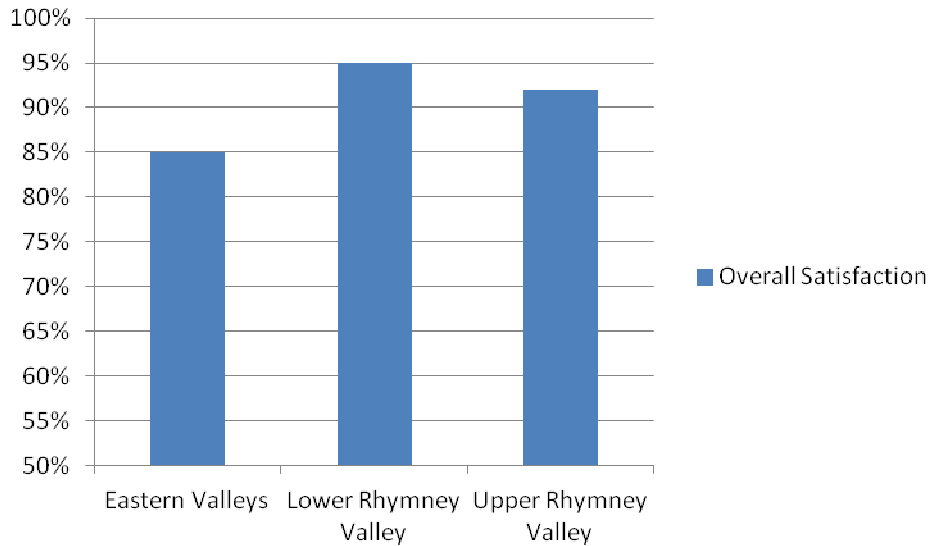
Surveyed works within Internal Works Programme 2013-14	Kitchens	Bathrooms	Electrics	Heating
Full Works Completed	428	373	27	6
Full Works Identified	82	80	4	0
Full Works Completed (Sub-Contractor)	0	0	164	152
Full Works Identified (Sub-Contractor)	0	0	6	26
Full/Adapted Works Completed	0	42	0	0
Full/Adapted Works Identified	0	13	0	0
Partial Works Completed	62	103	147	1
Partial Works Identified	7	9	73	0
Partial Works Identified (Sub-Contractor)	0	0	4	0
Partial Works Completed (Sub-Contractor)	0	0	22	
Refusals	59	40	8	24
Un-surveyed/No information	20	17	45	4
Achieved Previously	187	168	345	632
<b>Totals</b>	<b>845</b>	<b>845</b>	<b>845</b>	<b>845</b>

4.18 Pie chart 2 (below) summarises the overall proportion of; works carried out (full/partial); refusals; works achieved previously; and un-surveyed elements or where there is no available information. The chart reveals that a significant proportion of properties have already achieved the WHQS standard for one or more internal elements (39% of all elements). This high level of pre-existing compliance is due to the significant capital investment in the housing stock prior to 2013-14. If this level of pre-existing compliance is consistent in future years, it will have significant implications for the remaining WHQS programme in terms of the value of work to be completed. There will also be a positive impact on the Council's Business Plan in terms of funding and borrowing requirements, if all other assumptions remain the same.

4.19 Pie Chart 2: The nature of WHQS compliance within the 2013-14 internal works programme.

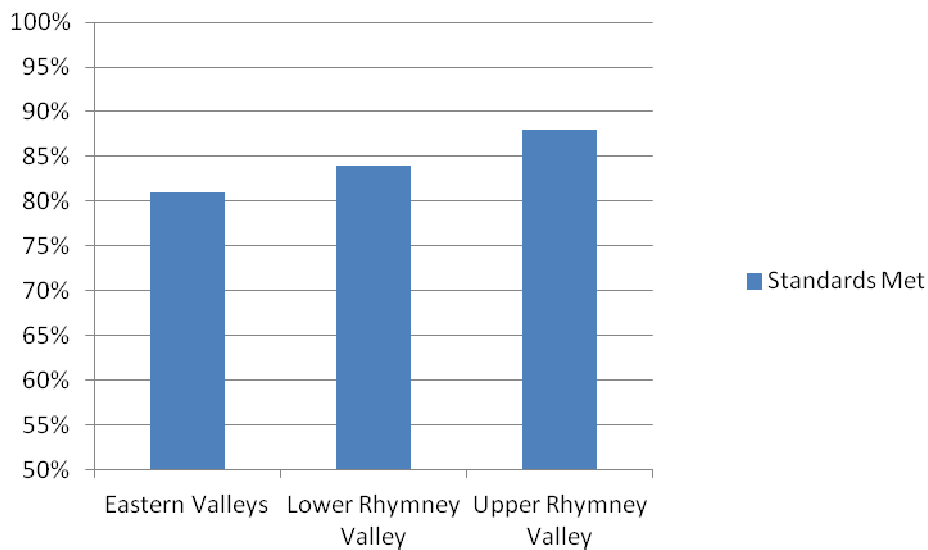


- 4.20 The chart also reveals that the level of tenant refusals is low (4% of all elements). This is a very positive result and is probably due to the efforts made by the WHQS Team's Tenant Liaison Officers to engage with tenants in order to ensure works are undertaken.
- 4.21 **Tenant satisfaction with the internal works programme 2013-14**
- 4.22 In January 2014 the Housing Systems and Performance team began posting survey forms to tenants who had received internal works to their homes as part of the WHQS internal works programme 2013-14. The surveys are posted in order to ensure the independence of the results i.e. they have been delivered by postmen, then completed and returned by tenants without the involvement of CCBC staff. However, a proportion of the surveys are completed with the tenants in their homes by trained tenant representatives (CSIMs). So far 14% of completed surveys have been carried out by CSIMs.
- 4.23 Surveys are sent out in batches shortly after the completion of a contract and are input into a Continuous Quality Monitoring (CQM) database as soon as they are received back at the office. The survey response rate currently stands at 45% (220 surveys returned). This rate is approximately 10-15% above the return rate typically achieved within the housing service.
- 4.24 The survey form has been developed in consultation with tenant representatives and the full list of questions on the form can be seen in Appendix 5 together with the aggregated results for each question. There are three types of questions on the form:
- Those that ask whether we have met the standards set out in our Charter for Trust . These are typically 'Yes/No/Don't know' questions.
  - Those that ask how satisfied the tenant is with some aspect of the service we provide. This is measured on a five point scale; Very satisfied; Satisfied; Neither; Dissatisfied; and Very dissatisfied.
  - Those that leave space for tenant's to make their own comments about the service they have received.
- 4.25 Occasionally completed survey forms will include messages from tenants which require action. These issues are registered on our CQM database and tracked to ensure that they are resolved by the WHQS Team or referred outside the Team for resolution. At the time of writing 92 issues had been raised; of which 66 had been resolved; leaving 26 outstanding.
- 4.26 WHQS Team managers monitor satisfaction levels and the issues raised on the survey cards via two new performance management dashboards (see Appendix 3 and 4). These dashboards allow management to drill down from aggregated statistics to view individual survey card responses in order to explore the sources of dissatisfaction.
- 4.27 One of the final questions on the survey form asks "*Overall, taking everything into consideration, how satisfied are you with the work that we carried out inside your home?*". This is one of the most important measures on the survey and is therefore included in the Outcome Agreement – see section 4.33 below. The average level of satisfaction is 92% at the time of writing (those responding 'Satisfied' or 'Very Satisfied'). This significantly exceeds our target of 80%. Satisfaction levels for the three individual operational contract areas are shown in Chart 1 below.
- 4.28 Chart 1: Overall satisfaction levels for internal works in 2013-14 within the three contract areas.



4.29 The other key performance measure is an aggregation of all the questions on the survey form that relate to meeting the standards of service outlined in the Charter for Trust. This measure is also included in the Outcome Agreement – see section 4.33 below. The average level of standards met is currently 85%. This does not meet our target level of 90%. The level of standards met for the three individual operational contract areas are shown in Chart 2 below.

4.30 Chart 2: Standards met during internal works in 2013-14 within the three contract areas.



4.31 Table 3 below includes the results for these two performance indicators from the surveys undertaken on a per contract basis. The table also shows the individual return rates and proportion of surveys completed with CSIMs for each contracts. Nine contracts in the 2013-14 programme have not yet been surveyed, so full end of year results are not yet available.

4.32 Table 3: Internal works satisfaction per contract (2013-14 contracts completed to date)

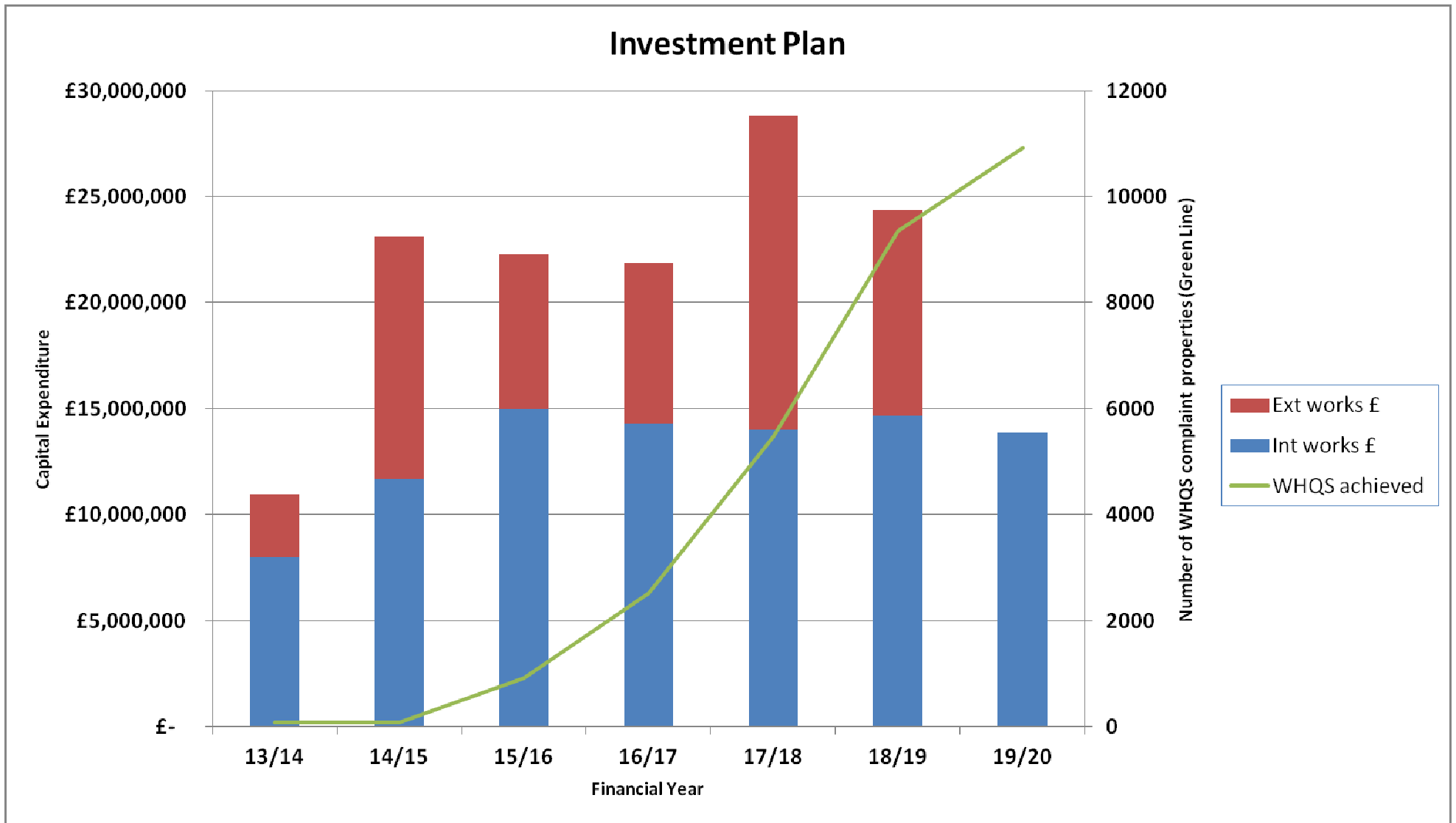
Area	Contract	Survey Return Rate	Returned Surveys Completed With CSIM	Overall Satisfaction	Standards Met
Eastern Valleys	INT13D-E01 CLAREMONT ROAD\HAZELWOOD ROAD	45%	30%	80%	72%
	INT13D-E02 ELLESMERE COURT\OLD PANT ROAD	47%	14%	100%	83%
	INT13D-E03 CORONATION CRESCENT\HILARY ROAD	38%	33%	75%	73%
	INT13D-E04 NEWLYN ROAD\STONERWOOD VIEW	41%	56%	78%	83%
	INT13D-E05 ST PETERS CLOSE\TIR Y PWLL TERRACE	63%	0%	93%	92%
	INT13D-E06 GREENLANDS\HILLTOP CRESCENT\SUNNYCREST	45%	0%	100%	81%
	INT13D-E07 PANT VIEW\QUEENS ROAD	38%	0%	67%	83%
Lower Rhymney Valley	INT13D-L01 CASTLE VIEW\CENTRAL STREET\MOUNTAIN VIEW	32%	0%	100%	90%
	INT13D-L02 THOMASVILLE	52%	0%	92%	77%
	INT13D-L03 TY NANT	46%	0%	100%	88%
	INT13D-L04 PLAS CWM PARC	86%	0%	100%	91%
	INT13D-L05 PLAS CWM PARC	72%	17%	100%	86%
	INT13D-L06 ALEXANDER TERRACE\CENYDD TERRACE	47%	57%	100%	86%
	INT13D-L07 TAN Y BRYN TERRACE	29%	30%	70%	67%
Upper Rhymney Valley	INT13D-U01 GLANYNANT	30%	0%	86%	93%
	INT13D-U02 ANEURIN TERRACE\ISFRYN	27%	0%	86%	85%
	INT13D-U03 HEOLYTWYN	38%	38%	88%	79%
	INT13D-U04 HEOL UCHAF\LOWER ROWPHILLIPS WALK	53%	20%	89%	85%
	INT13D-U05 PENYDRE	42%	8%	100%	96%
	INT13D-U11 MISC CATCH UP	83%	0%	100%	88%
Totals		45%	14%	92%	85%



4.33 **The Welsh Government 2013-2016 Outcome Agreement - Welsh Homes Improving Quality**

- 4.34 The Outcome Agreement reports that for 2013/14 is classed as successful. Taking account of previously achieved, tenant refusals and contract slippage around 600 Council homes have benefitted from improvements in 2013/14 and the overall tenant satisfaction level with the work is 92%
- 4.35 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 3 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.
- 4.36 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.

4.37 Chart 3: Anticipated full compliance against the WHQS 2013-20 (WHQS Programme capital expenditure included for information).



#### **4.38 The capital expenditure programme for WHQS works (2013-14)**

- 4.39 The total expenditure on the WHQS capital programme for 2013/14 was £14.6m. This includes £2.8m of work carried forward from 2012/13 which was not part of the in year programme.
- 4.40 The in year programme has under spent by about 24%. The under spend was predicted throughout the year as it became apparent during the surveys that a high level of previously achieved works had already been carried out. Previously achieved works were identified on approximately 40% of the total properties in the programme, and refusals accounted for about 5%. The in year under spend is offset by the work carried forward from the previous financial year resulting in a £2.8m surplus being carried forward to fund the WHQS programme.
- 4.41 To address the anticipated underspend and to maintain the workflow for the in-house team, internal works were advanced from the 2014/15 programme and a further 93 kitchens, 105 bathrooms, 45 rewires, and 20 heating systems were installed at a cost of £907k.
- 4.42 Apart from the works carried forward from the previous financial year, additional works were also identified that were outside of the WHQS programme which could not be delayed to fit into future work programmes, such as heating installations, which accounted for £844k of the total spend.
- 4.43 Adaptation costs over and above the original specification were some £140k.
- 4.44 The valuations that take place throughout the year on the works completed to date are based on the Savills Schedule of Rates (SOR) which has been used to cost up the programmes of work in Keystone. These valuations allow for the costs of the work to be charged to the WHQS capital programme. As part of the merger of the Building Maintenance DLO with the HRA, a WHQS holding account was set up so that the actual costs of the in-house workforce could be compared with the SOR used to evaluate the work. After the valuations were completed there was some £1.8m of costs in the holding account that had not been recharged to the programme via the valuation process. These costs relate to the single source supplier management fee and the in-house workforce bearing higher costs than a private provider which are outside of the teams' control. This is the first year of operating a holding account and variances will continue to be monitored throughout the life of the programme.
- 4.45 Funding for the 2013/14 programme was met from the Major Repairs Allowance (MRA) given by WG of £7.3m, revenue contributions from the HRA of £5.4m and earmarked carried forward funding of £1.9m. The HRA allowed for the high level of revenue contributions and remained viable at the end of the year.
- 4.46 The Councils Business Plan (which is required for scrutiny from 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.

### **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 in 2013/14 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 resources.
- 7.2 The volume of work will significantly increase during 2014/15 and it is anticipated that key areas of the team will need to be strengthened. 845 properties were scheduled into the programme for 2013/14. For 2014/15 there will be close to 3,000 properties scheduled to the programme

## **8. CONSULTATIONS**

- 8.1 To be added.

## **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 the implementation of the WHQS Programme.

## **11. STATUTORY POWER**

- 11.1 Housing Acts 1985, 1996 and 2004.

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Cllr Barbara Jones - Deputy Leader & Cabinet Member for Corporate Services  
Shaun Couzens – Chief Housing Officer  
Nicole Scammell – Acting Director of Corporate Services & S151 Officer  
Gail Williams – Interim Head of Legal Services and Monitoring Officer  
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 Metrics Dashboard
- Appendix 2 - Internal Works Financial Metrics Dashboard
- Appendix 3 - The Survey Satisfaction Metrics Dashboard
- Appendix 4 - The Survey Issues Dashboard
- Appendix 5 - The internal works survey form and responses
- Appendix 6 - WHQS budget monitoring report 2013/14