



## CAERPHILLY HOMES TASK GROUP – 15TH DECEMBER 2016

**SUBJECT: WHQS PROGRESS REPORT APRIL 2016 – SEPTEMBER 2016 (HALF YEAR)**

**REPORT BY: CORPORATE DIRECTOR COMMUNITIES**

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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 six months from April 2016 to the end of September 2016.
- 1.2 Details of the capital expenditure programme for 2016-17 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 2016-17. Performance is monitored and managed formally via; the WHQS Delivery Team Management Group meetings, which occur every month; the Caerphilly Homes Project Board; and also overseen by the Repairs and Improvements Working Group.
- 2.2 The WHQS internal works programme for 2016-17 includes 1,994 properties - which is an 8.9% increase from the 1,837 properties included in the 2015-16 programme. As of the 21st October 2016 89.9% of the 2016-17 internal works programme had been surveyed. This compares with 70.1% of the previous year's 2015-16 internal works programme being completed at 13th January 2016. The WHQS Team has also surveyed 23.8% of the 2017/18 programme. The Team has therefore made significant progress to increase the internal works survey completion rate. During the financial year 2016-17 the WHQS Team also completed a significant number of internal works from the previous year's programme 2015-16.
- 2.3 Of the properties surveyed so far in the WHQS internal works programme for 2016-17 only 3 were found to require no works. Of the remaining 1,991 properties, work on 639 will be undertaken by the in-house workforce, supported by specialist sub-contractors (a 10.1% increase on last year). This leaves 1,352 properties which will be undertaken by the three main outside contractors (an 8.0% increase on last year); Keepmoat (Eastern Valleys); Contract Services (Lower Rhymney Valley); and Vinci (Upper Rhymney Valley). Details of compliance levels within each community in the internal works programme 2016-17 are included in the report.
- 2.4 As of 21st October 2016, 665 properties within the internal works programme for 2016-17 were compliant in respect of their internal elements (33.4%). This compares with 29.6% of the internal works programme for 2015-16 being compliant at 13th January 2016. The programme of works this year are already 3.8% ahead of last year's performance level, with 84 days remaining before last year's comparison point is reached. Based on the current completion rate of 40 properties per week it is likely that 75.5% of the 2016-17 internal works programme will be completed by the end of the financial year.

- 2.5 Arrangements have been put in place to measure tenant satisfaction levels and compliance with service standards for the internal works contracts via surveys. The 127 surveys returned in the first half of 2016-17 reveal that the overall satisfaction level for internal works is 93%. They also reveal that we are achieving 88% of the standards that we measure within the Charter for Trust document. Both of these key measures have improved on last year's quarter 1-2 results (86% satisfaction and 83% standards met). An external works satisfaction survey has been prepared but not yet implemented.
- 2.6 The WHQS external works programme for 2016-17 includes work on 2,218 properties which are going to be carried out by outside contractors. This represents a 25% increase on last year's programme which contained 1,780 properties. Surveying of the WHQS external works programme for 2016-17 is currently 80.3% complete (1,781 properties surveyed), as of the 26<sup>th</sup> October 2016. 18.5% (487 properties) in the 2017-18 external works programme within the Keystone system have also been surveyed. The WHQS Team has therefore made significant progress to increase the external works survey completion rate.

### **3. LINKS TO STRATEGY**

- 3.1 The Welsh Housing Quality Standard (WHQS) is intended to ensure that all local authority and housing association homes are improved and maintained to specified standards.
- 3.2 The Council is committed to ensuring that the WHQS investment transforms not only homes but also lives and communities.
- 3.3 The Council's Local Housing Strategy "People, Property, and Places" has the following aim:  
  
"To provide good quality, well managed houses in communities where people want to live, and offer people housing choices which meet their needs and aspirations."
- 3.4 The delivery of the WHQS environmental programme is coterminous with the aims of the Council's Single Integrated Plan 2013-2017 which aims to 'improve standards of housing and communities, giving appropriate access to services across the county borough' and the recently approved, Caerphilly Poverty Strategy 2015.
- 3.5 The delivery of the WHQS environmental programme is coterminous with the aims of the Wellbeing of Future Generations (Wales) Act 2015 which requires public bodies to work towards a shared vision comprising 7 goals and adopt the 5 "Ways of Working". The goals and the 5 Ways of Working will underpin the delivery of the programme and include planning and acting for the long term, integration, involvement, collaboration and prevention. The WHQS investment in Council homes to transform lives and communities is a Well Being Objective.

### **4. THE REPORT**

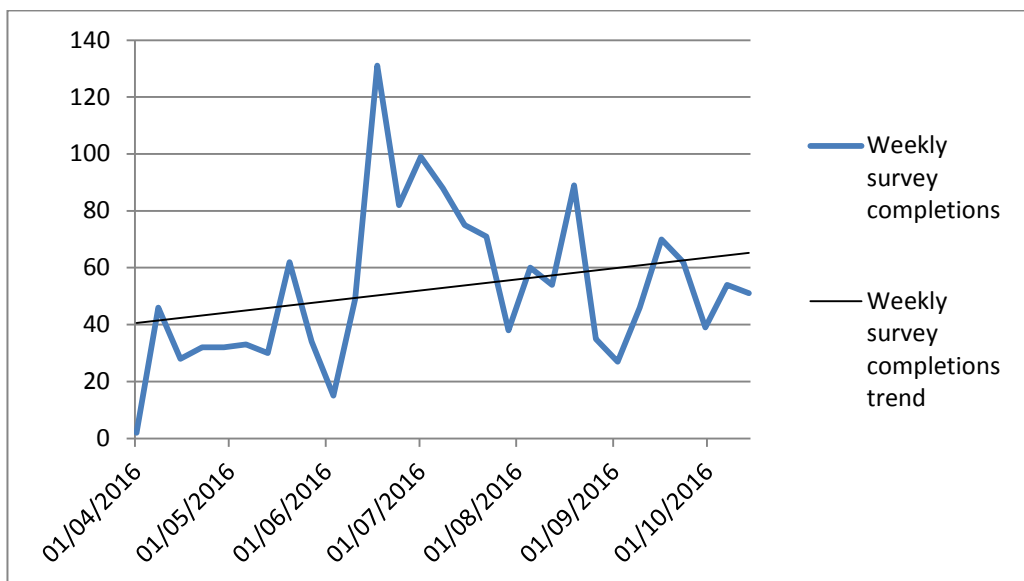
#### **4.1 Performance monitoring and management arrangements**

- 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 and managed formally via; the WHQS Delivery Team Management Group meetings, which occur every month; the Caerphilly Homes Project Board; and also overseen by the Repairs and Improvements Working Group.

#### 4.4 Progress of the internal works programme 2016-17 - Surveying

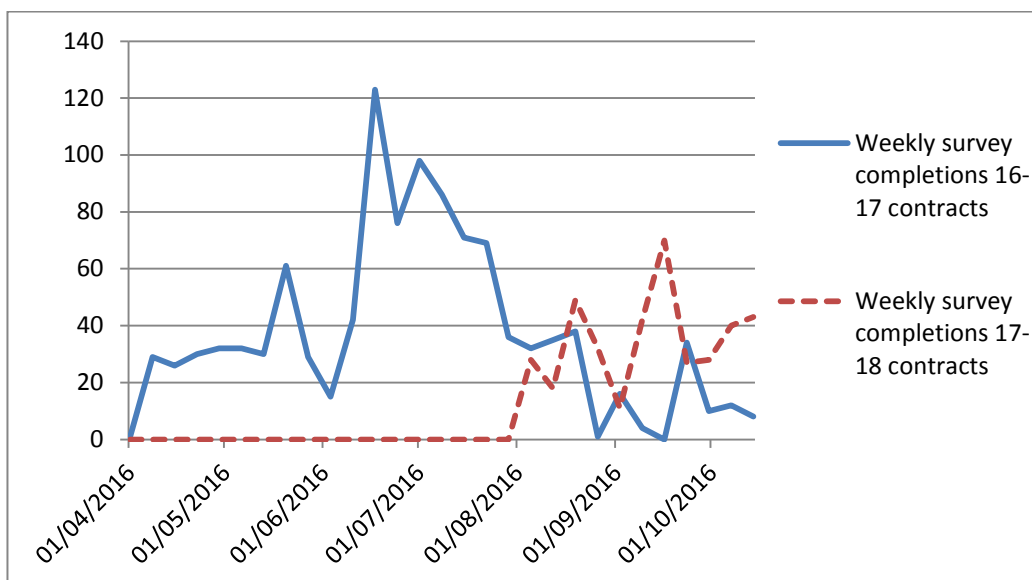
4.5 Surveying of the 1,994 properties in the internal works programme for 2016-17 is 89.9% complete. This compares with 70.1% of the previous year's 2015-16 internal works programme being completed at 13<sup>th</sup> January 2016. The WHQS Team has also surveyed 23.8% of the 2017/18 programme. The Team has therefore made significant progress to increase the survey completion rate. Chart 1 below shows how the weekly survey completion rate has increased during 2016-17 (see trend-line). The internal works survey completion rate is now approaching 60 properties per week which is well above the rate of works completions. The current survey completion rate equates to 3,060 property survey completions per year (based on a 51 week working year).

4.6 Chart 1: The WHQS internal works weekly survey completions rate during 2016-17



4.7 Since the commencement of the internal works programme the WHQS Team have had difficulty providing contractors with sufficient surveyed works to meet the rate of their work completions. However, during 2016-17 the Team have managed to address that issue and are now building up a small buffer of surveyed works in advance of the rate that works are completed by contractors. Chart 2 below shows how in August 2016 the WHQS Team began surveying the properties that are included in the internal works programme for 2017-18 (the red dotted line on the chart) as they had by then completed the majority of the surveying for the current year's programme (solid blue line on the chart).

#### 4.8 Chart 2: Addressing the WHQS internal works surveying backlog.



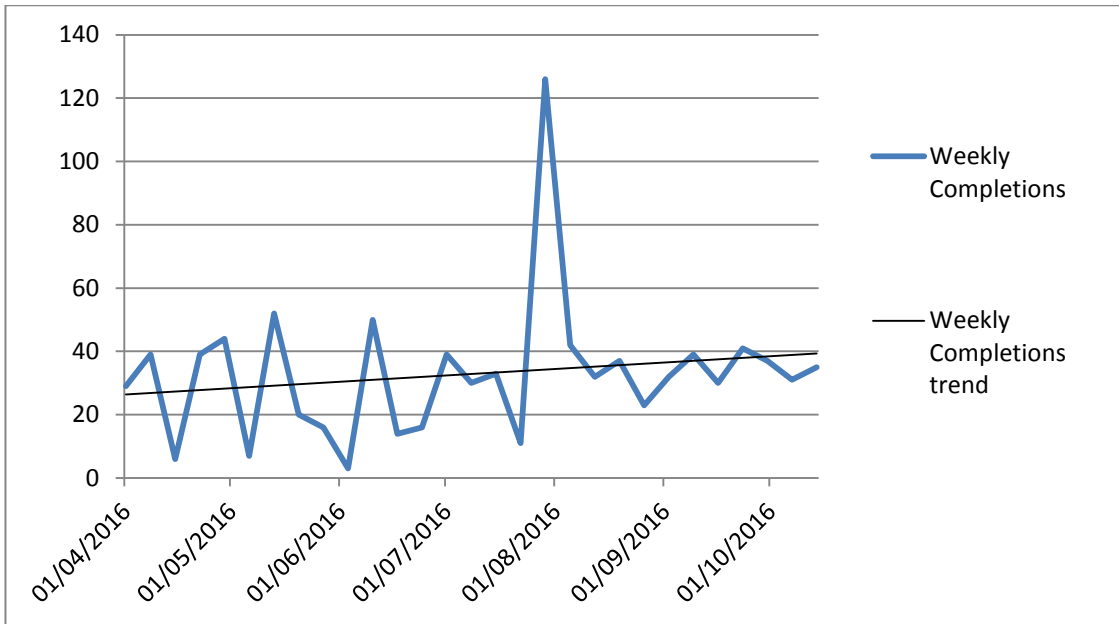
4.9 Within the internal work programme for 2016-17 there remain 127 kitchens; 143 bathrooms; 11 heating systems; and 10 electrical systems that are un-surveyed in a total of 202 properties. This compares favourably with the 549 properties which were un-surveyed in the internal works programme for 2015-16 on the 13<sup>th</sup> January 2016. Of the 202 properties with un-surveyed elements; 66 of these properties are within the in-house contractor programme; and 136 within the outside contractor programme. WHQS Team management are taking steps to ensure that all the properties in the programme for 2016-17 are fully surveyed and entered in the Keystone system. Arrangements are in place to complete these surveys and this is not anticipated to have any detrimental impact on the continuity of work for the contractors.

#### 4.10 Progress of the internal works programme 2016-17 – Completion of works

4.11 The number of properties where internal WHQS works have been completed per week (weekly completions) has increased during the course of 2016-17 (see trend-line in Chart 3 below). The completion rate is now approaching 40 properties per week. Based on the current completion rate it is likely that 75.5% of the 2016-17 internal works programme will be completed by the end of the financial year.

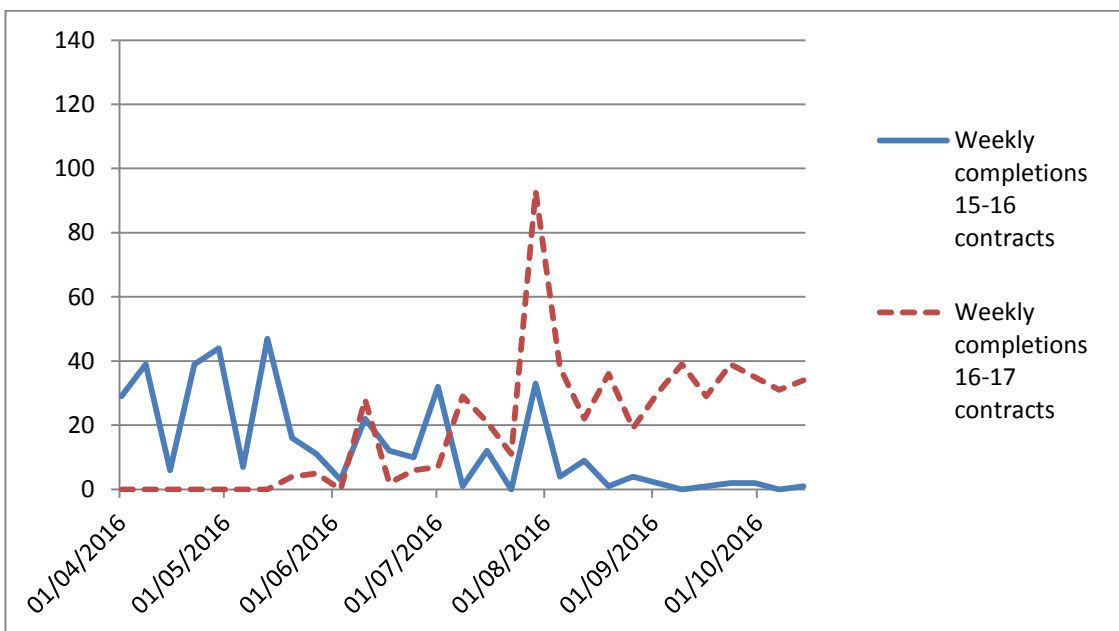
Note: the spike in weekly completions on 01/08/2016 was due to a data cleansing exercise which picked up a number of completions which hadn't been entered into the Keystone system.

4.12 Chart 3: The WHQS internal works weekly completions rate during 2016-17



4.13 Since the commencement of the internal works programme the WHQS Team have been working with a backlog of outstanding works from previous years. Chart 4 below shows how during 2016-17 the weekly completions for the first three months of the financial year were for properties that belonged primarily to the previous year’s programme (solid blue line on the chart). It has only been since August 2016 that the Team have focussed almost entirely upon the current year’s programme (dotted red line on the chart). There was a three-to-four-month backlog of work from the previous year, which has impacted on the performance against this year’s target. The weekly completions rate will need to increase in order to erode this backlog, though as the number of properties in the internal works programme begins to reduce from 2018-19 onwards it is anticipated that any backlog would be eliminated in that year or the following year.

4.14 Chart 4: Addressing the WHQS internal works backlog.

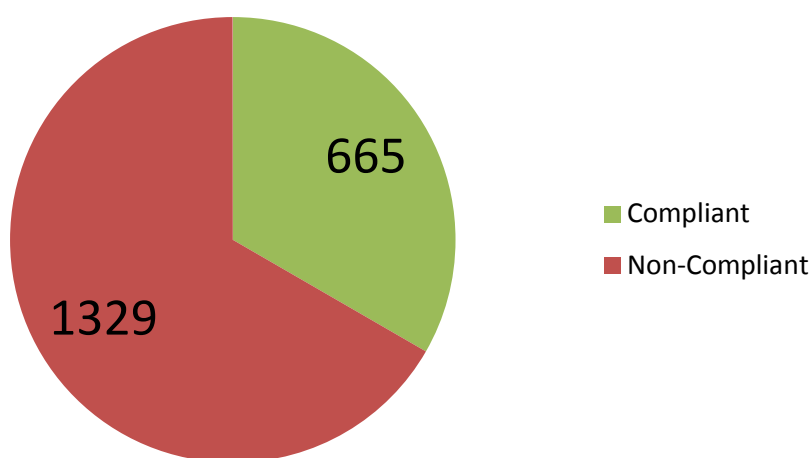


#### 4.15 Progress of the internal works programme 2016-17 – WHQS compliance

4.16 Chart 5 below shows that at the time of writing 665 properties in the 2016-17 internal works programme were compliant in relation to their internal elements. This compares favourably with the 544 properties which were compliant in the internal works programme for 2015-16 on the 13<sup>th</sup> January 2016. Upon surveying, 3 properties in this year's programme were found to be already compliant or were classed as acceptable fails – no works were therefore required in these homes. '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.

4.17 Chart 5: Internal works compliance of properties in the internal works programme 2016-17.



4.18 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 community areas within the 2016-17 WHQS programme. It reveals that overall 33.4% of the properties in the programme are now compliant. This compares favourably with the 29.6% properties which were compliant in the internal works programme for 2015-16 on the 13<sup>th</sup> January 2016. Where communities have a low level of compliance, typically it indicates that works have not yet commenced, or have not yet been completed, or have been completed but not yet entered into the Keystone system by WHQS Team staff.

4.19 Table 1: Internal works compliance by community (WHQS Programme 2016-17)

Contractor	Area	Community Area	Compliant	Non-Comp.	Grand Total	% Compliant
In-House	Eastern Valleys	TY SIGN - UPPER	55	171	226	24.3%
In-House	Lower Rhymney Valley	GRAIG Y RHACCA	125	140	265	47.2%
In-House	Upper Rhymney Valley	MAES MABON	83	65	148	56.1%
<b>In-House Contractor Sub Total</b>			<b>263</b>	<b>376</b>	<b>639</b>	<b>41.2%</b>
Outside Contractor	Eastern Valleys (Keepmoat)	GELLIGROES	0	28	28	0.0%
Outside Contractor		MARKHAM-HOLLYBUSH	62	16	78	79.5%
Outside Contractor		OAKDALE	47	26	73	64.4%
Outside Contractor		PENLLWYN - LOWER	1	70	71	1.4%
Outside Contractor		PENTWYNMAWR	0	35	35	0.0%
Outside Contractor		SPRINGFIELD	23	197	220	10.5%
Outside Contractor		TWYN GARDENS	9	28	37	24.3%
Outside Contractor	Lower Rhymney Valley (Contract Services)	ABERTRIDWR	91	42	133	68.4%
		CHURCHILL PARK	19	127	146	13.0%
		LLANBRADACH	56	20	76	73.7%
Outside Contractor	Upper Rhymney Valley (Vinci)	NANTDDU	5	47	52	9.6%
		ABERBARGOED – LOWER	30	17	47	63.8%
		ABERBARGOED – MIDDLE	59	29	88	67.0%
		BRITHDIR	0	8	8	0.0%
		DERI	0	5	5	0.0%
		GILFACH PHASE 1	0	41	41	0.0%
		GILFACH PHASE 2	0	178	178	0.0%
TIRPHIL	0	39	39	0.0%		
<b>Outside Contractor Sub Total (including 3 homes that were already compliant)</b>			<b>402</b>	<b>953</b>	<b>1355</b>	<b>29.7%</b>
<b>Grand Total</b>			<b>665</b>	<b>1329</b>	<b>1994</b>	<b>33.4%</b>

#### 4.20 Progress of the external works programme 2016-17

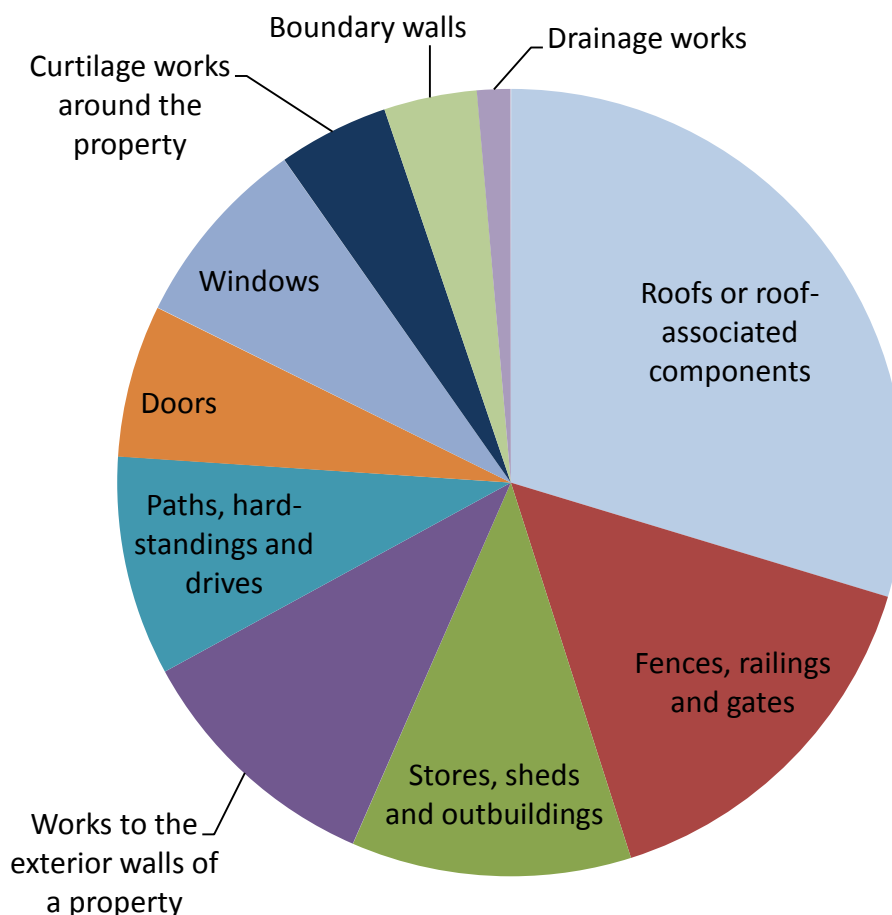
- 4.21 The WHQS external works programme for 2016-17 within the Keystone system includes 2,218 properties - all of which are being completed by outside contractors. This represents a 25% increase on last year's programme which contained 1,780 properties.
- 4.22 Significant progress has been made in 2016-17 in terms of the management and monitoring of external works contracts. All new contracts are now being entered into and managed via the Keystone asset management system except for those managed by Private Sector Housing although these will be recorded in the system retrospectively in order that performance and asset completion information can be monitored. At present details of progress on those contracts managed by Private Sector Housing are therefore not included in this report.
- 4.23 The majority of contracts are now being surveyed using hand-held tablet devices. This has significantly improved the efficiency of the surveying process as data collected in the field is automatically loaded into the Keystone system. The implementation of an external works Schedule of Rates (SOR) has also improved the efficiency of the surveying process as surveyors now select SOR items from a list whilst in the field rather than having to use paper notes and manual reference guides back in the office.
- 4.24 Surveying of the WHQS external works programme for 2016-17 is currently 80.3% complete (1,781 properties surveyed). It is also worth noting that 18.5% (487 properties) in the 2017-18 external works programme within the Keystone system have also already been surveyed.
- 4.25 The use of an external SOR in the Keystone system now allows for an analysis of the nature of the external works being undertaken in the 2016-17 programme. External works are divided into 10 elements within a Council property. These elements are shown in Table 2 below, together with details of the percentage of; works undertaken; acceptable fails under the WHQS; and works that were achieved previously i.e. already compliant with the WHQS.
- 4.26 Table 2: Proportion of works, previously achieved and acceptable fails in the external works programme 2016-17.

Property Element	% Properties where works undertaken in contracts	% Properties where works achieved previously	% Properties where there is an acceptable fail
Roofs or roof-associated components	99.6%	0.4%	0.0%
Fences, railings and gates	95.5%	4.4%	0.2%
Stores, sheds and outbuildings	87.8%	9.7%	2.5%
Works to the exterior walls of a property	86.7%	12.4%	0.9%
Paths, hard-standings and drives	82.0%	17.5%	0.4%
Doors	77.7%	22.3%	0.0%
Windows	75.3%	24.6%	0.1%
Curtilage works around the property	59.5%	40.3%	0.2%
Boundary walls	44.7%	55.1%	0.2%
Drainage works	28.4%	70.8%	0.7%

- 4.27 An analysis of the 28,361 SOR work items added to external works contracts in the 2016-17 programme reveals the approximate distribution of works across the 10 elements in a typical property – see chart 6 below.



4.28 Chart 6: The distribution of external works carried out in a typical property in the 2016-17 programme.



4.29 Performance information relating to the completion of external works is not yet available in Keystone, but arrangements are underway for Clerk of Works to use mobile technology (tablets) to undertake contract variations and completions for external works contracts in the Keystone system. This will facilitate the development in 2016-17 of a new external works dashboard which will be used for monitoring contract completions.

#### 4.30 Tenant satisfaction with the internal works programme 2016-17

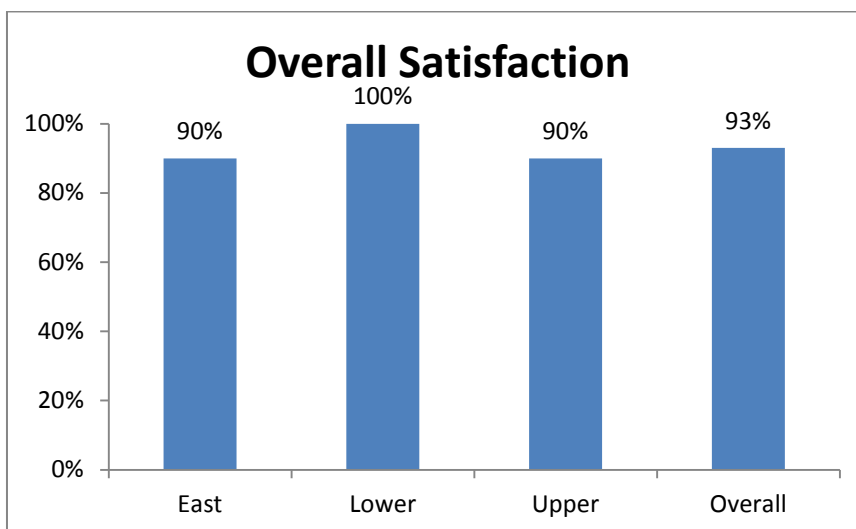
4.31 Tenant satisfaction levels and compliance with service standards for internal works are measured via surveys which are sent to tenants after each property has been completed. The Housing Systems and Performance section administer this service. A total of 282 surveys were produced in Quarters 1 & 2 for 2016-17 internal works contracts - of which 127 were completed - which represents an overall return rate of 45%. Of the 127 completed surveys, 37 were completed via telephone by tenant representatives (CSIMs).

4.32 Table 3 below provides a summary and breakdown of the returned surveys for each of the WHQS Team operational areas within the County Borough for internal works contracts in the 2016-17 programme. It shows that the overall satisfaction level for internal works is 93% (up from 86% on 13<sup>th</sup> January 2016). It also shows that we are achieving 88% of the standards that we measure within the Charter For Trust document (up from 83% on 13<sup>th</sup> January 2016). Charts 7 and 8 below display these two measures for each of the WHQS Team operational areas.

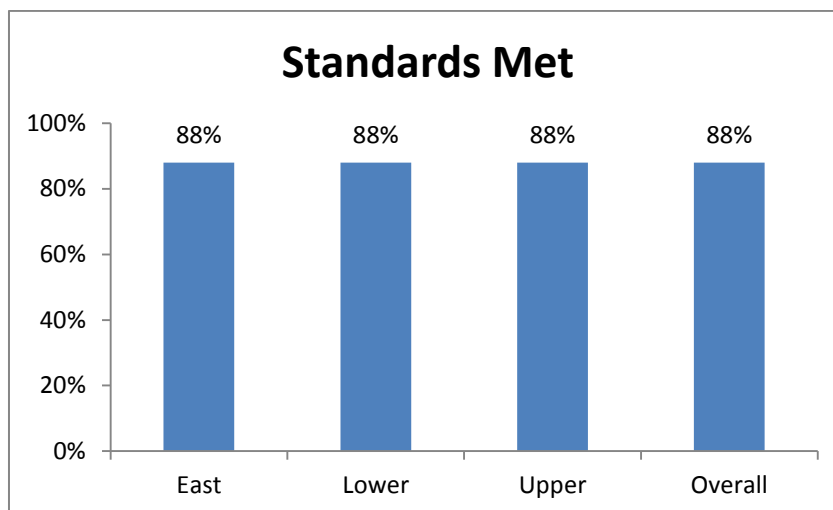
4.33 Table 3: Satisfaction levels and standards met by WHQS Team operational areas (2016-17).

Area	Surveys Returned	Overall Satisfaction	Standards Met
East	52	90%	88%
Lower	43	100%	88%
Upper	32	90%	88%
<b>Overall</b>	<b>127</b>	<b>93%</b>	<b>88%</b>

4.34 Chart 7: Overall satisfaction levels by WHQS Team operational areas (2016-17).



4.35 Chart 8: Standards met by WHQS Team operational areas (2016-17).



4.36 Table 4 below summarises internal works satisfaction levels and standards met by the in-house contractor for contracts in the internal works programme for 2016-17. Table 5 below summarises internal works satisfaction levels and standards met by the outside contractors in the programme. Table 6 below summarises the internal works satisfaction levels and standards met for individual contracts within the internal works programme.

4.37 Table 4: Overall satisfaction levels and standards met by the in-house contractor (2016-17).

In-house Contractor	Surveys Returned	Overall Satisfaction	Standards Met
East	1	100%	89%
Lower Rhymney Valley	15	100%	91%
Upper Rhymney Valley	12	100%	90%
<b>Overall</b>	<b>28</b>	<b>100%</b>	<b>90%</b>

4.38 Table 5: Overall satisfaction levels and standards met by the outside contractors (2016-17).

Outside Contractors	Surveys Returned	Overall Satisfaction	Standards Met
Keepmoat(East)	51	90%	88%
Contract Services (Lower)	28	100%	87%
Vinci (Upper)	20	84%	86%
<b>Overall</b>	<b>99</b>	<b>92%</b>	<b>87%</b>

4.39 Table 6: Overall satisfaction levels and standards met for individual internal works contracts (2016-17).

Contract	Surveys Returned / Produced	Overall Satisfaction	Standards Met
INT16C-EC28 MONMOUTH WALK	18 / 29	94%	86%
INT16C-EC29 JAMES ST/COMMUN CL/JOHN ST/HOLLYBUSHX2	17 / 24	94%	90%
INT16C-EC30 UNDERWOOD/HIGHTREE/GROVESIDE/PARK VIEW	8 / 18	67%	85%
INT16C-EC31 PENMAEN CORNER/IVY BUSH COURT	6 / 11	83%	83%
INT16C-EC32 CENTRAL AVENUE/FARM CLOSE	2 / 4	100%	97%
INT16C-LC13 - ABERTRIDWR PHASE 1	6 / 18	100%	82%
INT16C-LC14 - ABERTRIDWR PHASE 2	4 / 5	100%	90%
INT16C-LC16 - ABERTRIDWR PHASE 4 - ILAN ROAD	16 / 31	100%	90%
INT16C-LC17 - GARDEN STREET - LLANBRADACH PHASE 1	2 / 4	100%	71%
INT16C-UC12 ABERBARGOED MIDDLE - PHASE 1	11 / 17	90%	87%
INT16C-UC13 ABERBARGOED MIDDLE - PHASE 2	6 / 12	67%	86%
INT16C-UC14 ABERBARGOED LOWER - PHASE 1	3 / 12	100%	82%
INT16D-E27 BIRCH GROVE/FAIRVIEW AVENUE	1 / 3	100%	89%
INT16D-L28 BURNS CLOSE / SHELLEY COURT	10 / 45	100%	92%
INT16D-L29 MILTON PLACE	1 / 2	100%	95%
INT16D-L30 LONGFELLOW GARDENS	4 / 16	100%	86%
INT16D-U31 LAN Y PARC/HEOL LLYSWEN	10 / 26	100%	91%
INT16D-U32 LLWYN YR EOS	2 / 5	100%	85%
<b>Overall</b>	<b>127 / 282</b>	<b>93%</b>	<b>88%</b>

4.40 A survey to measure satisfaction levels and service standards for external works has been prepared. No surveys have been produced yet as the inputting of a contract completion date in Keystone drives the generation of the survey forms. Once contract completion dates are input, surveys will be produced.

#### 4.41 **The capital expenditure programme for WHQS works (2016-17)**

- 4.42 The WHQS budget for 2016/17 was set at £38.6m. The total expenditure on the WHQS capital programme for the first 6 months of 2016/17 is £12.5m which is some 32% of the total budget. However, £4.6m (37%) of this spend relates to carried forward contracts from previous years.
- 4.43 The spend to date on internal works is £7.3m. This includes £324k of spend that relates to work outside of the WHQS programme which could not be delayed to fit into future programmes i.e. emergency heating installations and voids. £2.9m (39%) of this spend relates to carried forward contracts from previous year.
- 4.44 The spend to date on external works is £2.8m which is for the North and East areas only and is predominantly carried out by external contractors. £1.8m (63%) of this spend relates to carried forward contracts from previous years. Contracts for the South are currently being procured.
- 4.45 External wall insulation had been undertaken in Gelligaer, Pontllytyn and Gilfach to a value of approximately £1.3m, which incorporated 320 number properties.
- 4.46 The remaining spend is on Fees (£1.1m), Large Scale Voids (£723k), Adaptations (£273k), Garages (£256k) and Non Traditional Properties (£62k).
- 4.47 Work has been ongoing to establish an indicative average cost/rate per property for internal works which will assist with budget monitoring and financial forecasts. The rate was based on completed contracts to date which showed £17,108 for external contractors and £19,096 for the in-house workforce. This was assuming full works on all 4 key components in a typical property.
- 4.48 It is clear however that full works are not anticipated on all remaining properties within the programme. In fact historically only 60% of Kitchens, 70% of Bathrooms, 49% of Electrics and 16% of Heating have received full works in the properties to date, therefore it has been necessary to reduce the average rate to reflect this and to allow for an element of partial works, previously achieved and acceptable fails. The rate therefore has been revised to £9,128 for external contractors and £10,810 for the in-house workforce. This should more accurately reflect the actual works being undertaken in each property, however, work is ongoing to attempt a more accurate outturn position by looking at each individual property to ascertain the works identified by the surveyors and applying a typical cost for each element and each eventuality (eg partial works, full works, previously achieved) This exercise has been carried out for the Lower Rhymney Valley external contractors (internal works) and has resulted in £1m in reduced commitments for 2016/17 contracts.
- 4.49 Currently the business plan incorporates the Savills costings for the remainder of the programme to 2019/20. This now needs to be replaced with the revised averages mentioned above, to give a more accurate financial position, and more importantly to confirm the level of funding required, ensuring that the borrowing cap is not breached. A revised programme is also necessary to incorporate any changes necessary to ensure the WHQS completion date is met.
- 4.50 Funding for the 2016/17 programme of £38.5m will be met from the Major Repairs Allowance (MRA) given by WG of £7.3m, and revenue contributions from the HRA of £31.2m. The MRA has been fully drawn down from Welsh Government this year. There is £38.4m of HRA funding available this year. No borrowing has been required to fund the WHQS spend to date. Borrowing is expected to take place in 2017/18 which will be confirmed when the slippage has been identified from 2016/17 and the business plan is updated with the revised average costs. The programme will also need to be re-profiled to account for any work that will now be carried out after 2019/20 e.g. remodelling.

4.51 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 There are no financial implications.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no personnel implications

## **8. CONSULTATIONS**

8.1 All consultee responses have been incorporated within the report.

## **9. RECOMMENDATIONS**

9.1 That the report is noted.

## **10. REASONS FOR THE RECOMMENDATIONS**

10.1 Not applicable.

## **11. STATUTORY POWER**

11.1 Not applicable.

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- Deputy Leader & Cabinet Member for Housing

Christina Harrhy

- Corporate Director Communities

Nicole Scammell

- Acting Director of Corporate Services & S151 Officer

Shaun Couzens

- Chief Housing Officer.

Marcus Lloyd

- WHQS and Infrastructure Strategy Manager

Jane Roberts-Waite

- Strategic Co-ordination Manager - WHQS Programme

Colin Roden

- WHQS Project Manager

Alan Edmunds

- WHQS Project Manager

Steve Greedy

- WHQS Project Manager