



CAERPHELLY HOMES TASK GROUP – 2ND APRIL 2015

SUBJECT: WHQS AND SHELTERED HOUSING COMPLEXES

REPORT BY: INTERIM CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To consider a WHQS programme delivery change relating to the sheltered housing complexes. The report is seeking the views of the CHTG prior to Policy and Resources Scrutiny Committee and presentation to Cabinet for decision.

2. SUMMARY

- 2.1 Arising from a number of setbacks the WHQS Programme is under severe pressure to complete by 2020. Additional measures are under active investigation to expand the capacity to cope with the volume of work. The report advocates an alternative approach to implement the WHQS programme in relation to the sheltered complexes. In summary the management and delivery of the WHQS works on the sheltered schemes could be out sourced to a suitable multi disciplinary consultancy leaving just the client role in house.

3. LINKS TO STRATEGY

- 3.1 The Welsh Housing Quality Standard is intended to ensure that all local authority and housing association homes are improved and maintained to achieve specified standards.
- 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 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.”

4. THE REPORT

- 4.1 The report presented to CHTG on 11th December on the Review of WHQS Investment Strategy and HRA Capital Programme 2015/16 outlined that major slippage had arisen during the 2014/15 financial year and that this would cause additional pressure due to the increase in the volume of properties that will need to be completed over a shorter timescale. The report presented a revised investment strategy and the implications were explained in terms of the numbers of properties that would need to be completed on a weekly basis and the rate of expenditure that would have to be achieved based on the budget estimates.

- 4.2 Since that report was prepared and agreed by Cabinet further significant slippage has been identified within the in house programme of work and with the small lots programme.
- 4.3 The programme for 2014/15 originally envisaged that either internal or external works would be completed to 3,713 properties. It is estimated that the completions by March 2015 will now be around 1000 properties i.e. around 27% of what was originally planned.
- 4.4 The WHQS Project Board has reviewed the position and concluded that unless measures are put in place to increase capacity and to expedite the implementation of such measures there is a serious threat that the WHQS will not be achieved by 2020.
- 4.5 The Council has 33 sheltered housing schemes (see appendix 1) categorised as:
- All flats and communal facilities are under one roof
 - Bungalows or flats grouped around a separate communal block
 - Blocks of flats and communal facilities under one roof plus external blocks of flats
- 4.6 In addition there are 12 units at Tredegar Street which are managed as part of the Tredegar Court Extra Care Scheme.
- 4.7 As a result of the sheltered housing review during 2013 it was resolved to reclassify four schemes without communal facilities at Denscombe, Grange Close, Nantddu, and Waunfach and these schemes will be dealt as part of the main WHQS Programme (these schemes are not included in appendix 1). Internal works at Grange Close are being undertaken in the 14 /15 financial year by the in house work force.
- 4.8 Communal facilities include lounge, kitchen, laundry, guest room, staff office. In respect of these areas it will be necessary to consider heating, electrics, emergency lighting, fire panels, kitchen, toilet facilities, DDA compliance, carpets, furnishings, decoration. The communal areas are classed as public buildings and the landlord has statutory maintenance responsibilities. In carrying out improvement works the opportunity should be taken to remove redundant plant to reduce ongoing responsibilities.
- 4.9 It was the original intention that improvement works to the sheltered complexes would be integrated within the main programme and internal and external works would be undertaken separately in accordance with the community sequence. The communal areas were to be dealt with as part of the external works programme. However around a third of the complexes have central boiler plant and some of these are in urgent need of replacement. This may also involve replacing pipe work and radiators in individual flats. In these circumstances it is not practical to split the communal work (external) from the individual units (internal work), at least as it relates to heating. The central boiler plants are commercial installations which have not been included in the scope of the work of any of the contract arrangements. The contract arrangements for external works are different in each of the three areas and were not specifically designed with the sheltered complexes in mind.
- 4.10 For those complexes which include communal facilities and flats under one roof serviced by central boiler plant it will be better to package the internal and external work together. However in view of the wider pressures on the programme there is the possibility of bundling the sheltered complexes (around 1000 accommodation units representing 10% of the stock, but note possible exclusions below) into a completely separate programme of work to be managed and delivered independently of the main programme. This potentially could speed up part of the programme but there are resource implications as to how this might be achieved. Neither the WHQS nor Procurement teams have the capacity to fast track the sheltered schemes alongside other current commitments. It is therefore advocated that consideration be given to out sourcing the management and delivery of the WHQS for the sheltered schemes to a suitable multidisciplinary consultancy with only the client role retained in house. The scope of the brief might also extend to include the tenant liaison role.

- 4.11 The WHQS business plan included provision for the conversion of bedsits to flats at two schemes, Castle Court and Waunfawr House. The remodelling is not a WHQS requirement but clearly expenditure on WHQS works on the existing schemes could be abortive if it is the intention to remodel the schemes at a future date. Conversion of 2 bedsits to one flat will have implications in terms of the total stock and rental income.
- 4.12 Three further schemes were identified for possible remodelling, St Mary's Court, Ty Melin, and Ynyswen, as part of the sheltered housing service review. The feasibility of conversion / remodelling has yet to be undertaken and no capital funding has been identified. The location of some schemes raises further questions about suitability and in some instances it may be better to completely demolish and redevelop. In response to the report the Chief Housing Officer has also raised concern about the long term future of Britannia Close. Given lack of funding and uncertainty about remodelling / conversion or redevelopment it is suggested that the six schemes affected be removed from the WHQS Programme and addressed after 2020, other than essential (health and safety) / emergency works.
- 4.13 The remaining 27 schemes would comprise the sheltered complex programme to 2020 (approximately 770 units).

5. EQUALITIES IMPLICATIONS

- 5.1 An EqIA has been completed in accordance with the Council's Equalities Consultation and Monitoring Guidance and no potential for unlawful discrimination and for low level or minor negative have been identified, therefore a full EqIA has not been carried out.
- 5.2 The implementation of the WHQS Programme will ensure compliance where appropriate with current Building Regulations and DDA requirements. The Council's procurement processes include equalities requirements and compliance by third party contractors undertaking WHQS work.

6. FINANCIAL IMPLICATIONS

- 6.1 Based on the Savills stock condition survey for the 27 schemes there is a budget provision of £10.1m (£3.1m external works, £7.0m internal works) in the business plan, which takes account that the internal works at Ysgwyddgwyn have been completed. However the full extent of the work can only be determined by survey of the individual complexes. If this programme of work is outsourced to a multi disciplinary consultancy there would be fees incurred which have not been budgeted. An indicative percentage cost would be 10-12% of capital expenditure but negotiable dependent on how the commission is structured. It may be necessary to deal with essential health and safety works through ad hoc contract arrangements where these cannot be delayed.
- 6.2 It will also be necessary for the Council to maintain ongoing statutory responsibilities alongside the WHQS improvement works. There is an ongoing review to ensure there are compliant contract arrangements in place for all statutory maintenance on the sheltered complexes including those where remodelling/improvements may be deferred.
- 6.3 Even if early decisions are made on the six schemes identified for remodelling it would not be prudent to commit further major unbudgeted expenditure in the period to 2020. The buy out of the HRA will impose a borrowing cap which will result in limited headroom to cope with additional costs. There is already evidence to suggest the WHQS budget may be under pressure as a result of increased costs, for example in Rowan Place, Rhymney, and the tender costs for the small lots programme in the Eastern Valleys. In addition ongoing surveys are indicating extensive damp related problems on a number of the housing estates.

7. PERSONNEL IMPLICATIONS

- 7.1 Action is being taken to increase the resources within the WHQS team. There has been limited success to date in filling a number of technical vacancies but even with these additional posts the capacity to manage the volume of work against the timescale pressure remains a major risk. Outsourcing part of the programme increases capacity and spreads the risk and will improve the confidence of delivery by 2020. The client role will be undertaken within the WHQS team.
- 7.2 A procurement process will be required to appoint a multi disciplinary consultancy. There is the possibility of using the professional services framework established by the National Procurement Service which will shorten the timescale.

8. CONSULTATIONS

- 8.1 Comments received have been incorporated within the report.

9. RECOMMENDATIONS

- 9.1 In view of the pressures on the WHQS programme the CHTG recommend to the Policy and Resources Scrutiny Committee and Cabinet that the sheltered complexes are packaged into a separate programme and the management and delivery is outsourced to a suitable multi disciplinary consultancy, including the option of tenant liaison.
- 9.2 The 6 complexes identified in the report where future remodelling or redevelopment is under consideration be taken out for the WHQS Programme in the period to 2020 and dealt with once decisions have been made about the long term future of these properties.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To increase the resource capacity to be able to manage and deliver WHQS by 2020 and to avoid abortive costs on those complexes which may be subject to alternative proposals for remodelling or redevelopment.

11. STATUTORY POWER

- 11.1 Housing Acts 1985, 1996, 2004. This is a Cabinet function.

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Appendices:

Appendix 1 Sheltered Housing Schemes