

**Report To:** Cabinet Meeting

**Date of Meeting:** 18 December 2012

**Lead Member / Officer:** Councillor Hugh Irving

**Report Author:** Peter McHugh

**Title: Delivering the Welsh Housing Quality Standard**

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### **1. What is the report about?**

To update Cabinet on progress in meeting the Welsh Housing Quality Standard.

### **2. What is the reason for making this report?**

The report is for information and provides members with an update on progress being made in delivering the Welsh Housing Quality Standard to all of the Councils Housing Stock; it outlines costs incurred for contracts 6/7 & 8, provides an overview of customer satisfaction and wider regeneration benefits from undertaking these works.

### **3. What are the Recommendations?**

That Cabinet note the progress in delivering the WHQS to the Councils rented housing stock.

### **4. Report details.**

The Housing refurbishment programme commenced in 2005 and was allocated into a number of "lots" in order to spread the work more evenly across the geography of the county, to provide better value for money and to ensure the works could be effectively programmed by the building industry. Eight housing contract "lots" have been successfully tendered through the housing refurbishment framework contract with contracts 1-5 now complete, contracts 6 and 7 currently on site and contract 8 now approved and programmed to start at the end of November. The estimated completion date for the programme is December 2013.

Since 2009 DCC have completed refurbishment to 1172 properties to bring them up to the WHQS standard. There are currently 136 properties outstanding on contract 6, 170 on contract 7 and 171 on contract 8. Once the remaining properties are completed, this will bring the total number of properties refurbished between 2009 and 2014 up to 1649 dwellings.

Prior to 2009, a further 1,800 properties were refurbished which brings the total number of properties fully improved by the end of 2013 up to 3463 dwellings.

### **Current Contracts.**

Following the successful delivery of Contracts 1 to 5, Contracts 6, 7 and 8 were let through the Housing Refurbishment Framework.

The following delivery programme has been agreed for contracts 6, 7 and 8:-

Contract 6	Total No. of properties to be refurbished	221
	Contract Commencement Date	16 <sup>th</sup> April 2012
	Contract Completion Date	27 <sup>th</sup> Sep 2013
	Contract Sum	£2.8m
Contract 7	Total No. of properties to be refurbished	192
	Contract Commencement Date	20 <sup>th</sup> Aug 2012
	Contract Completion Date	15 <sup>th</sup> Nov 2013
	Contract Sum	£2.4m
Contract 8	Total No. of properties to be refurbished	171
	Contract Commencement Date	29 <sup>th</sup> Nov 2012
	Contract Completion Date	21 <sup>st</sup> Dec 2013
	Contract Sum	£2.8m

Contracts 6, 7 and 8 also include for window and external door replacement and new heating installations. It is worth noting that many of the properties in contracts 6/7 & 8 were refurbished prior to the commencement of WHQS contract works in 2005. Therefore even though these dwellings are at the end of the WHQS programme many homes already possess double glazing and relatively modern kitchens and bathrooms. These properties have now in essence fallen out of compliance with the standard and the proposed works in contracts 6/7/8 will bring them back up to full compliance with the standard.

Officers have sought to use the WHQS contracts to support local sub contractors and supply chains within Denbighshire. Examples of local and supply chains include:

- Adever recruiting 8 apprentice joiners and wet trades and 2 office based staff since starting on the improvement programme in 2010
- Agreement reached between Adever and Crest Co-operative in 2012 to recycle kitchens and bathrooms
- All sub contractors with Adever and 69% of site personnel with Brammal came from a DCC area post code
- All kitchens supplied locally by Howdens
- 100% of Heating Contract works dealt with by local labour

In addition to works provided under the improvement programme tenants also benefited from associated works such as loft and cavity wall insulation which have significantly improved the SAP rating and uValue for the stock.

Cabinet will be aware that the original objective of Welsh Government was that all social housing stock would be brought up to the standard by 2012. However as can be seen from Appendix A this has not proved to be realistic (or a good example of value for money) for many landlords. In the case of Denbighshire the programme has been smoothed to reduce an over reliance on one contractor some small delays in approving contracts and respecting the wishes of tenants (for example tenants asked in November that works do not commence before Christmas) have all added to the 2012 target been exceeded. Welsh Government are however very happy with the progress being made by Denbighshire and the Head of Housing and Community Development has been appointed to a Ministerial Task Force to advise the Minister for Housing, Regeneration and Heritage on options to enable Wrexham, Flintshire and Swansea to achieve WHQS.

#### **5. How does the decision contribute to the Corporate Priorities?**

Delivering the Welsh Housing Quality Standard is a key priority for both the Council and Welsh Government.

#### **6. What will it cost and how will it affect other services?**

The costs of delivering the Welsh Housing Quality Standard are contained within the Housing Revenue Account Business Plan and include a combination of Major Repairs Allowance, Usable Capital Receipts and prudential borrowing. The works are funded through a capital works programme and a recent stock condition survey has identified that the Housing Revenue Account is viable and sustainable over the 30 year business planning period.

#### **7. What consultations have been carried out?**

Regular reporting to scrutiny committee has taken place and tenants have been heavily involved in the improvement works through a series of working groups dealing with environment improvements, WHQS and the selection of preferred contractors.

Detailed surveys are undertaken following each improvement contract with satisfaction rates of 90% plus being recorded on all completed contracts.

## **8. Chief Finance Officer Statement**

The estimated date for achievement of the Standard in Denbighshire is only a few months from the national target set several years ago. There have been cost pressures within some of the contracts but these have been managed effectively and meant that none of the contracts has so far exceeded pre-tender estimates or the assumptions within the Housing Stock Business Plan. The Plan itself will be fully revised soon to take account of the recent stock condition survey and possible changes to the housing subsidy system in Wales.

## **9. What risks are there and is there anything we can do to reduce them?**

There is a risk register relating to delivering the Welsh Housing Quality Standard however the risks associated with failing to deliver the standard are considered low with all stock expected to reach the standard by 21 December 2013.

## **10. Power to make the Decision**

The report is for information