



# Public Accounts Committee

## Progress in Delivering the Welsh Housing Quality Standard

Evidence from CIH Cymru

## **Introduction**

The Chartered Institute of Housing is the only professional organisation representing all those working in housing. Its purpose is to maximise the contribution that housing professionals make to the wellbeing of communities. In Wales, we aim to provide a professional and impartial voice for housing across all sectors to emphasise the particular context of housing in Wales and to work with organisations to identify housing solutions. We are committed to working with our members, the Welsh Government and all our other partners to deliver safe, warm and affordable homes for all. We welcome the opportunity to provide evidence to the National Assembly for Wales' Public Accounts Committee in relation to their inquiry on the Wales Audit Office Report on Progress in Delivering the Welsh Housing Quality Standards.

CIH Cymru backed the conclusions of the recent Wales Audit Office WHQS report which found whilst there has been considerable improvement to the quality of council and RSL housing over the past few years, more needs to be done if tenants homes are to be brought up to decent standards. The report acknowledged that many tenants in Wales have seen big improvements to the quality of their housing but pointed out that many homes will not be brought up to standard by the 2012 deadline. It also called for Welsh Government to do more to support and monitor progress toward the Welsh Housing Quality Standard. Overall, CIH Cymru is in agreement with these conclusion as we share the concerns that a 'post-code lottery' is emerging with regards to the quality of Wales' social housing stock, and that this is very unfair for those tenants who have yet to benefit from investment in their homes. Focusing on those areas where WHQS has not yet been met will need to be a key priority for Government over the rest of this term and CIH Cymru will be doing everything it can to help ensure tenants of all social landlords have access to high quality homes.

## **Acknowledging progress to date**

It's important to acknowledge the progress that has been made towards WHQS in Wales, and the significant benefits that have been delivered as a result. The WHQS investment programme is the largest investment in housing in 30 years with up to £3billion pounds going into some of our most disadvantaged communities. We have to celebrate momentum that has been in place over the last five years in particular and the overall improvement in the quality of Wales' social housing that has been achieved as a result of this.

Other successes of WHQS include:

- tenant involvement in specifying and developing investment programmes, deciding delivery models and continuing to monitor and evaluate WHQS delivery

- The WHQS Plus agenda which has created a local economic development focus and clear regeneration links
- The i2i programme and the Can Do Toolkit which has been instrumental in ensuring this once in a generation investment doesn't just deliver kitchens and bathrooms but creates long term sustainable communities across Wales.

A report on the first three years of the i2i project, launched in March 2012 showed that 2,581 job and training opportunities have been created by the 26 organisations that have adopted the model, almost 1,400 of them in the last year. The figure equates to 15 opportunities per week, many of which are in the most disadvantaged communities in Wales. This is particularly impressive given the size of the housing budget compared with the big budgets such as Health and Education and shows that getting job and training opportunities secured through social procurement is not just a theoretical possibility. The fact that other sectors, including transport and health are now looking to housing as a leading example of how to deliver added value through their own capital programmes is testament to the impact that this agenda has had.

The WAO report does acknowledge the positive evidence of these wider benefits being achieved through WHQS work, but criticises Welsh Government for failing to instigate a clear framework for measuring these successes. We are keen to work with Welsh Government to help develop this framework over the coming months, but we also feel that the important thing is that these benefits are being delivered on the ground, creating employment and training opportunities, better health outcomes and delivering economic growth in some of Wales' most deprived communities.

## **Progress still to be made**

Despite the progress to date, on current projections by the end of 2012 the homes of 4 out of 10 tenants will have failed to reach WHQS in 2012. One in 5 tenants will be living in non WHQS homes in April 2017. There are also concerns that once the 2012 deadline has passed the pressure to achieve and sustain the standard may weaken. This is clearly unacceptable.

CIH Cymru agrees that there needs to be better national and local leadership in relation to achieving and maintaining the standard. An important factor in this is effective monitoring of progress. We acknowledge the steps that that Welsh Government has taken to improve monitoring arrangements in recent years but there are still concerns around consistency of reporting across landlords and how this information is communicated to tenants, as well as on how certain elements such as acceptable fails are interpreted.

In March 2012, CIH Cymru in conjunction with the Welsh Tenants Federation launched a new initiative called *Focus on Delivery (FoD)*. This initiative aims to promote the positive impact that WHQS investment is having and support credible, independent and transparent scrutiny of the programme, to keep the focus on achieving and maintaining

the standard, complimenting formal monitoring arrangements by WG and periodic review by the WAO. We believe that promoting good practice could play a key role in keeping the momentum going and ensuring that the homes of all tenants reached WHQS and that they gained the associated benefits. It is our hope that that *FoD* will ensure:

- the promotion of good practice in partnership with WG and landlord and tenant organisations
- all homes reach WHQS as soon as possible
- the work is delivered to the highest standard
- the standard is maintained beyond the initial investment programmes
- the maximum added value benefits accrue to communities including local jobs and training

Alongside the *Focus on Delivery* programme, it is CIH Cymru's view that social landlords should seek to undertake independent validation of their compliance with WHQS, and that this should be common practice across the sector.

CIH Cymru strongly supports the need for universal compliance with WHQS as an urgent priority. However, one unintended consequence of the pressure, particularly on LSVTs, to deliver 5 year improvement programmes is that the impetus to provide improvements for tenants as quickly as possible does not always go hand in hand with other objectives in relation to economic sustainability and supporting local businesses as the value of work tends to favour larger contractors. i2i's 2<sup>nd</sup> Can Do Toolkit on SME friendly procurement offers practical and clear guidance to public sector buyers and social landlords in Wales on maximising supply-chain opportunities through their contracts to help ensure that WHQS momentum is maintained whilst not overlooking the capabilities of local, smaller businesses, and approach that we would strongly advocate to the Committee.

## **Where next?**

The WAO report does state that WHQS is ambitious compared to England and Scotland however, CIH Cymru would be keen to make the point that WHQS is not a gold plated, luxury standard – it's actually the minimum standard that tenants should expect

CIH Cymru is very interested in what successor standard to WHQS might be developed. With projected dates for achieving WHQS now stretching to 2017 and beyond the introduction of any new standard within that time-frame would have to be managed extremely carefully. We acknowledge that the priority should be on meeting the current standard first, and there could be a significant impact on business plans should we decide to 'move the goalposts' at this stage. However, from our perspective this is not a good enough reason not to have a mature and open discussion about what a successor standard might look like, in conjunction with tenants and other stakeholders. We know for example, that a number of social landlords have advocated a greater focus on climate

change and energy efficiency within WHQS and this is something that we would strongly support.

Furthermore, we would welcome a greater consideration of quality issues across all tenures. We know that some of the worst quality housing stock is within the private rented sector. When WHQS was first introduced, there was an aspiration that this would also apply to private sector homes, although this has never been followed up in practice. Again, whilst we of course recognise the current fiscal challenges and constraints, we would make the case for the strong economic, social and environmental benefits that can be derived by addressing quality issues across the housing system.

Our primary concern however, is the particular challenge for authorities where tenants have voted no to stock transfer proposals. The WAO report was clear that neither Wrexham nor Swansea have a clear trajectory to meet WHQS *'within any reasonable timescale in the context of the current policy and financial framework'* and with recent no votes in Caerphilly and Flintshire, there is a pressing need to explore alternative options for no vote areas if we really do want to see national compliance. We would hope, and recommend that Welsh Government takes forward this programme of work as a matter of urgency.

Finally, there are major lessons to be learnt from the WHQS programme, not least for the Welsh Government in terms of its 'system stewardship' role – clarity, effective and timely communication and robust monitoring are all required, lessons which could also be applied to policy areas outside of housing.

## Conclusion

In summary, CIH Cymru would like to see:

- Tenants of all social landlords having access to high quality homes, regardless of where they live or who their landlord is
- A greater consideration of quality issues across all tenures and a debate around a WHQS successor standards
- A clear, robust consistent framework in place for monitoring progress toward the Welsh Housing Quality Standard
- An urgent focus from Welsh Government on exploring alternative options for areas where there is not a plan in place to deliver WHQS
- A commitment to ensuring the maximum added benefits are achieved from WHQS investment, through for example continued use of the i2i Can do Toolkit approach
- For key lessons from the WHQS investment programme to be learned and shared, including with policy areas outside of housing
- Support for the *Focus on Delivery* initiative to promote good practice in partnership with Welsh Government and landlord and tenant organisations