



## SPECIAL CABINET – 12TH MARCH 2025

**SUBJECT: CAERPHELLY HOMES WHQS23 COMPLIANCE POLICY**

**REPORT BY: DEPUTY CHIEF EXECUTIVE**

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### 1. PURPOSE OF REPORT

- 1.1 For Members to consider and approve the publication of the Welsh Housing Quality Standard 2023 Compliance Policy and submission to Welsh Government by 31<sup>st</sup> March, as detailed in this report and appended. The report was presented to the Housing and Environment Scrutiny Committee on the 11<sup>th</sup> February 2025; their comments are included in the Consultation section of the report.

### 2. SUMMARY

- 2.1 The purpose of this Welsh Housing Quality Standard (WHQS) is to improve the quality of social homes in Wales. Welsh Government continues to drive up the Standard of existing social housing by setting a demanding Standard which all social landlords in Wales are legally obliged to meet. It is widely recognised that living in a quality home brings a wide range of benefits to health, learning and prosperity. This supports the Government's desire to improve outcomes in health and wellbeing and educational attainment as well as alleviating poverty and reducing carbon emissions.
- 2.2 All social landlords are required to develop and maintain a Compliance Policy. To allow landlords time to respond to the requirements within the Standard, this must be in place by the end of March 2025. The Compliance Policy must be:
- signed off by Cabinet
  - published to demonstrate open and transparent working
  - reviewed annually.
- 2.3 The Compliance Policy has a key role in communicating social landlords' approach to the WHQS programme, local circumstances and any relevant decisions taken. WHQS statistical returns will demonstrate the progress made in meeting the Standard, whilst compliance policies will provide context for how progress is being/has been achieved. They should also provide assurance to stakeholders of the accuracy of the statistical returns.
- 2.4 The key areas to be included in the Compliance Policy are provided below:
- Approach to WHQS, reflecting local resources and circumstances;
  - Database/asset management software;
  - Tenant engagement;

- Independent verification;
- Compliance statements for new tenants;
- Elements not measured, to be covered by detailed explanatory statements;
- Cost prohibitive activity;
- Target Energy Pathways Narrative;
- Redevelopment, demolition and carbon; and
- Community benefits.

### **3. RECOMMENDATIONS**

#### 3.1 Cabinet are asked to:-

3.1.1 Consider the views of the Housing and Environment Scrutiny Committee meeting of the 11<sup>th</sup> February 2025.

3.1.2 Acknowledge and consider the Caerphilly Homes WHQS23 Compliance Policy and approve its submission to Welsh Government by the 31<sup>st</sup> March 2025.

### **4. REASONS FOR THE RECOMMENDATIONS**

4.1 The purpose of the Welsh Housing Quality Standard is to ensure that all social housing in Wales is of good quality. All social homes must:

- Be in a good state of repair;
- Be safe and secure;
- Be affordable to heat and have minimal environmental impact;
- Have an up-to-date kitchen and utility area;
- Have an up-to-date bathroom;
- Be comfortable and promote wellbeing;
- Have a suitable garden;
- Have an attractive outside space.

4.2 The Compliance Policy is the first document required to be published by Welsh Government to set out how each social landlord will deliver on the expectations within the 2023 updated standard.

4.3 The Policy must be approved by Cabinet before being submitted to Welsh Government.

## 5. THE REPORT

### 5.1 *Background*

- 5.1.1 The original Welsh Housing Quality Standard was introduced in 2002 with revised guidance being issued in 2008. Evaluation of the existing programme and planning for this iteration of the Standard began in 2020 with a programme of engagement with social landlords. A series of workshop and feedback sessions were undertaken to provide a practitioner's view on the Standard and to understand the appetite for change.
- 5.1.2 From this, volunteers for a practitioner's group came forward and this group became part of each stage of evaluation and co-creation of the new Standard. This landlord focussed engagement was followed by a survey conducted by Welsh Government to assess the attitudes of social housing tenants to the WHQS findings from both areas of research were fed into an independent evaluation of the effectiveness of the programme which was commissioned by Welsh Government and published in 2021.
- 5.1.3 The evaluation concluded 'that the WHQS had been effective in achieving its key objective of raising standards of social rented housing' and 'has benefits for tenants and should be continued into the future...' The evaluation identified areas of the Standard that required updating and improving, areas where research and societal changes had changed expectations since the original Standard was launched as well as new areas to include, these are listed below:
- Data collection and reporting;
  - Compliance policies;
  - Fire and electrical safety;
  - Affordable Warmth and Environmental Impact (new elements);
  - Flooring (new element);
  - Water efficiency (new elements);
  - Biodiversity (new element);
  - Active travel (new element);
  - Noise nuisance (new element)
- 5.1.4 Social landlords are expected to conduct an assessment of their stock, analyse the information, and plan the management of their property assets as part of their normal business and financial planning. It is expected that this assessment should initially take the form of detailed property surveys, including line by line reporting of their property assets.
- 5.1.5 With robust data collection and management it should be possible to keep these detailed assessments up to date as works are carried out on or in properties. Landlords need to be aware of the work required to meet the Standard, their future liabilities, know when properties and their components are forecast to be replaced and when funds need to be available to meet these liabilities.

- 5.1.6 All of this should assist landlords to develop a programme to achieve the Standard, taking into account views of their tenants. The programme must be dynamic and responsive to changes. It should set out the priorities for the various items of work with a forecast of the finance required and sources of funding available.
- 5.1.7 A clear plan of how this is to be implemented is also required. The programme should be reviewed annually or following an up-date of stock information or stock condition data. Any programmes should be the product of tenant engagement and their views should form part of the development of the programme. The programme itself and the steps taken to develop it should be published and show the stages the landlord has gone through, highlighting the choices that have been made along the way and the rationale behind them. The programme must be part of a viable business plan.

## **5.2 Key Compliance Policy Headings**

### ***Approach to WHQS, Reflecting Local Resources and Circumstances***

- 5.2.1 The Compliance Policy must set out each landlord's decision making in relation to complying with the Standard. The Compliance Policy must clearly articulate the landlord's approach to meeting and maintaining the Standard for their whole stock and on an element by element basis.

### ***Database/Asset Management Software***

- 5.2.2 The Compliance Policy needs to state what kind of database or asset management software is being used.
- 5.2.3 Tenant engagement Social Landlords should outline how they have engaged with tenants and/or tenant groups in meeting and maintaining the Standard.

### ***Independent Verification***

- 5.2.4 As a result of the Welsh Government Audit Wales review of WHQS in 2012 the requirement for independent verification was introduced. The Compliance Policy must include information on the social landlord's arrangements for independent verification of their compliance with the Standard. This should include details of the processes to be undertaken and how independence is assured. The independent verification process should include an initial review two years after the Standard comes into effect. Thereafter independent verification should be undertaken every two years. Independent verification may take different forms. This is not about spending large sums of money but the process must be undertaken by an independent party. It should be conducted by someone who is not directly involved in the delivery of the Standard. Independent verification could also be conducted by other social landlords or external consultants.

### ***Compliance Statement for New Tenants***

- 5.2.5 A Statement should be issued at the point of re-letting. This will support the EPC certificate that the new tenant already receives. Where a property does not meet the Standard at the point of re-letting, the Statement should include clear information about the purpose of the Standard, when it is to be met, what it covers, where the home complies and any areas that are yet to meet the Standard, ideally with a rationale. The Compliance Policy should explain how this information is provided to tenants and provide an example of the Statement used.

### ***Elements Not Measured (as such)***

5.2.6 For the Standard, a detailed explanatory statement is to be included in the Compliance Policy to provide an understanding for all stakeholders of how the elements not formally measured are being progressed. This is to ensure that the approach taken to these valuable aspects of a tenant's home and neighbourhood are being considered. The explanatory statement should outline how decisions have been made on programmes of work, how need has been assessed and prioritised and how tenants have been allowed a voice in the process.

5.2.7 The following elements require an explanatory statement:

- 3d Landlords must carry out a Whole Stock Assessment and produce Target Energy Pathways for their homes.
- 6d Homes should suit the specific requirements of the household.
- 6e Disabled and older people's housing requirements
- 8b Attractive Outside Spaces
- 8c Biodiversity
- Broadband

### ***Cost Prohibitive Activity***

5.2.8 For each element using the conditional pass cost prohibitive code, the landlords should provide additional information including estimated costs and number of properties using this assessment code.

### ***Target Energy Pathways Narrative***

5.2.9 A narrative is required to support the individual Target Energy Pathways produced under Element 3d. The brief narrative should contain;

- The approach to generating Target Energy Pathways;
- The asset and modelling systems used to gather, record and process information;
- A Data improvement plan if one has been produced;
- Information for each significant archetype of property to outline the rationale behind their approach; and
- Information where homes will not reach the standards set out in 3a) and 3b).

### ***Redevelopment, Demolition and Carbon***

5.2.10 Landlords will be expected to explain how carbon considerations have been included in the assessment of options for any proposed redevelopment or demolition.

5.2.11 Landlords should present an assessment, using a recognised methodology such as Royal Institute of Chartered Surveyors (RICS) Professional Statement 'Whole life carbon assessment for the built environment' 13.

- 5.2.12 Landlords should also compare embodied and operational carbon in the proposal for retrofitting homes, against the carbon cost for the proposal to demolish and redevelop homes.
- 5.2.13 Welsh Development Quality Requirements (WDQR 2021) 1c) require new development of social homes to adopt best practice in moving to a decarbonised and circular built environment. It requires landlords 'to consider an assessment for reducing upfront and embodied carbon during the design and construction phases, and when undertaking refurbishment.'

### ***Community Benefits***

- 5.2.14 Community benefits are positive outcomes for local people and communities including boosting employment and skills or providing community facilities. Each landlord must set out in their Policy how they plan and measure community benefits generated by the WHQS programme.

## **5.3 Conclusion**

- 5.3.1 The Caerphilly Homes WHQS23 Compliance has been drafted in accordance with the headings set out previously and the guidance published by Welsh Government.
- 5.3.2 All service areas of Caerphilly Homes have been consulted and have contributed to the drafting of the Compliance Policy including our tenant and community involvement team. This is in part to engage more broadly on the continued and updated standard, but also to help assist in drafting the compliance statement for new tenants. We have also engaged with TPAS in broader engagement sessions with our tenant representatives which has been valuable for this work but also for the future delivery of the improved standard.
- 5.3.3 The attached policy (Appendix 1) will be reviewed annually as directed by Welsh Government and therefore as delivery plans, the investment strategy and ongoing engagement evolve, so will the policy.

## **6. ASSUMPTIONS**

- 6.1 It is assumed that the Compliance Policy will be approved by Welsh Government without further amendments and that any significant revisions to the policy will be agreed by the Head of Service in the ongoing management of the delivery of the updated standard.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The Integrated Impact Assessment suggests that this Policy and improving Caerphilly Homes' housing stock via the implementation of WHQS23 will have a positive impact on all contract holders by enhancing their overall quality of life.
- 7.2 [Hyperlink to the Integrated Impact Assessment:](#)

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no financial implications as a direct impact of this policy. However the associated wider programme and conforming to elements of this policy will carry significant cost in adhering to the ambitions within WHQS23.

## **9. PERSONNEL IMPLICATIONS**

- 9.1 There are no direct personnel implications as a direct impact of this policy. However there may be additional staffing requirements or changes to the focus of parts of the team in being able to deliver on WHQS23.

## **10. CONSULTATIONS**

- 10.1 All comments received from the consultees listed below have been noted and, where appropriate, incorporated within the report.
- 10.2 The Housing and Environment Scrutiny Committee considered the report at its meeting on the 11<sup>th</sup> February 2025 and made the following comments.
- 10.3 Officers were asked if the Policy relating only to new lettings. It was confirmed that it related to all council homes.
- 10.4 Members queried whether outside space was the sole responsibility of the contract holder. Officers responded that in some instances there would be shared responsibility in that there may be works required as part of the standard, but that contract holders are also responsible for garden maintenance.
- 10.5 Members asked if the surveys pick up work that was not addressed during the original WHQS whether those works would be addressed as a repair or as part of the planned asset maintenance programme. This would depend on the nature of the works, e.g. whether the lifespan of the element was a factor. If the works were relatively minor then they could be addressed as a repair or if more significant then they would be part of the programme; this would not impact on the finance as repairs and WHQS works are funded by the same budget.
- 10.6 There was a request for sight of the programme of works detailing when and where works would be carried out. This is not available at the moment, the team is embarking on a whole stock condition assessment, which will be followed by targeted energy pathways and the WHQS Programme investment strategy.
- 10.7 Following consideration of the report it was moved and seconded that the recommendations be approved. By way of Microsoft Forms and verbal vote (and in noting there were 13 For, 0 Against and 0 Abstention) this was agreed unanimously.

## **11. STATUTORY POWER**

- 11.1 Housing (Wales) Act 2014

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Appendix 1: WHQS23 Compliance Policy

Background Papers: N/A