

17 JULY 2024

ROUNDTABLE REPORT



WELSH HOUSING QUALITY STANDARD

MAINTAINING AND IMPROVING SOCIAL HOUSING IN WALES

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BACKGROUND

Social housing owned by housing associations and local authorities has to be kept in good condition to meet the Welsh Housing Quality Standard (WHQS).

The WHQS is a tenant focused standard and has been updated to reflect changes in the way people live, work and feel about their homes. Following a period of consultation the Welsh Housing Quality Standard (WHQS) was updated in 2023, intended to continue to improve the quality of peoples homes and set new targets to address decarbonisation, affordable warmth and water efficiency.

Landlords will be expected to ensure that all their homes have a Target Energy Pathway by March 2027 and reach a fabric based EPC band C (SAP 75) by March 2030. Overall, the WHQS 2023 sets out a timeline for 2034 for all homes to meet the new standard.

INTRODUCTION

Last November CHIC hosted a roundtable event to bring together social landlords and supply chain partners to consider how we can create effective delivery of the Optimised Retrofit Programme (ORP) in Wales, supporting the decarbonisation of social housing.

In July we changed our focus to the WHQS 2023. We wanted to ensure that our members and other stakeholders in Wales had a deeper understanding of the standard and discuss and promote change to ensure good quality housing in Wales and consider the best ways to implement the changes.

ROUNDTABLE DISCUSSIONS

Our partners received presentations from:

- **Darren Hatton from Welsh Government**, who discussed the WHQS 2 from a Welsh Government perspective.
- **Sue James from Aico**, who shared some of the technological solutions that social landlords can use in their housing stock.
- **Rob Martin from SERS**, who discussed a case study around the challenges created by PAS 2035.

We then considered five key questions in separate roundtable discussions. The conclusions reached are shared in this document.

Thank you to all our speakers for their presentations and participating in a panel discussion.

Table 1

WILL WHQS MEET OUR CUSTOMERS EXPECTATIONS FOR THE NEXT 25 YEARS TO 2050?

Predicting long term outcomes is inherently challenging due to the rapid evolution of technology, shifts in legislation and changing customer expectations. The standards and population demographics will inevitably evolve, requiring continuous adaptation. Managing customer expectations is crucial so communication and engagement with customers is vital.

Technological Advancements

Currently, the WHQS is based on existing requirements, but future demands will likely emerge, influenced by technological advancements. For instance, current efforts to ensure affordable warmth and insulation might need to move towards cooling homes as the climate conditions change. Effective communication about these innovations is vital, ensuring clarity and emphasising their significance without misleading promises about cost savings.

Living Conditions

The expectation for improved living conditions will continue to rise, especially with more people working from home and staying with parents longer, increasing pressure on space in housing. However, the basic necessity of a decent home equipped with usable technology remains unchanged.

While focusing on the long term end goal is important, it may be more beneficial to concentrate on present actions and immediate improvements. The strategy might involve addressing low risk properties first or tackling more challenging properties upfront.

Pilot Schemes

The duration and effectiveness of pilot schemes also needs consideration. Determining whether technological failures or user behaviours reverting to old habits can help pilot schemes to refine future implementations at scale.

Conclusions

Technology, lifestyles and customer expectations will inevitably change over the next 25 years. But this is within a normal investment cycle for asset managers, so adherence to WHQS 2023 should help meet most expectations to 2050.

We will still learn to increase what we do and how we need to continue sharing our expertise.



Table 2

IS OUR APPROACH TO COLLECTING AND MANAGING STOCK CONDITION AND ENERGY PERFORMANCE DATA UP TO THE JOB OF DELIVERING TO THE WHQS AND ORP?

The following conclusions were agreed:

Super Surveys

RSLs' need to combine property surveys into one 'Super Survey' to include a full stock condition survey including WHQS, HHSRS, EPC and retrofit assessments. These will take 2-3 hours each, so surveyors will only complete 2-3 per day. The benefits are all property data collected in one survey (and then managed in one place) and less disruption for customers. Some RSLs' are already doing this, which was a welcome contribution to the discussions. Generally though the sector needs to update it's survey approach.

Single Home Standard

The need to survey for, invest in and meet multiple standards is complex. The group queried if WHQS could be extended to include others (e.g. HHSRS), so essentially there is only a single standard. Welsh Government explained in the session feedback that not all standards are within their devolved responsibilities. Nevertheless, consolidating the various surveys mandated by the Welsh Government into a single survey could enhance the efficiency of retrofit assessors and streamline decision making processes.

Integrated Investment Plan

Once survey data is collected, it needs to be overlaid with resident data (behavioural/property usage) from any monitoring technology to plan smart, long term investment programmes. If planned correctly, programmes should ensure efficiencies from combining works into sensible programmes and enable longer term procurement to inform the supply chain to manage within available resources. Data does need to be kept up to date. Data management and a live investment plan with accurate property condition and compliance records is a key function for RSLs'. It needs to be properly resourced.



Sector Collaboration

CHIC can then help alongside Welsh Government to coordinate the combined programmes from its members. If we can aggregate individual RSL investment plans to provide a clear forward programme of work for the sector, we can help contractors and suppliers to ensure they can meet demand. In turn, this will support investment in and commitment to training, new jobs and apprentices.

Property Archetypes

As individual RSLs' improve their surveys and data/investment plan management, they will develop more knowledge on their varied property archetypes and the retrofit options and costs for each. Ideally, at sector level in Wales, we need to share this knowledge and bring archetype intelligence together. Can we create a library of Welsh retrofit property archetypes that RSLs' can use to inform and sense check their own data conclusions and investment plans?

Table 3

WHICH PARTS OF THE WHQS ARE GOING TO BE DIFFICULT TO ACHIEVE? WILL WE MEET THE STANDARD?

Achieving the Welsh Housing Quality Standard (WHQS) presents several challenges, with certain aspects difficult to attain.

Customer Influence

Household configuration, levels of occupation and individual need and lifestyle will all impact on RSLs' ability to meet WHQS in full. Conflicting priorities, such as addressing urgent social issues concurrently with WHQS objectives, can also divert focus and resources.

Energy Performance Certificates

Meeting the Energy Performance Certificate (EPC) C rating is a particular challenge, as the steps required to achieve this level might hinder efforts to reach even higher standards. Some properties might never attain an EPC A rating, requiring flexibility and a focus on elevating each home to the highest possible grade. This practical reality should be acknowledged by the Welsh Government, which should consider providing the necessary leeway needed to reflect the physical constraints improved by some homes.

For properties that cannot achieve EPC A, carbon offsetting could be a viable solution, but it must be implemented effectively to avoid merely circumventing the WHQS goals. Educating residents about factors affecting their home's performance is essential, as awareness can significantly impact outcomes.

Funding

Funding priorities and policies, such as ORP and WHQS, need to be aligned to avoid conflicting goals. A potential funding route involves assessing asset performance and using income from high quality homes to improve lower performing ones.



A tiered approach, prioritising the highest rating per property to save residents money, might be more affordable and quicker in the short term, with longer term funding for future projects. Combining funding for different schemes could also be beneficial, though managing multiple schemes with distinct aims can be challenging.

Overall, there was agreement that the new WHQS sets a sensible and achievable set of standards, to focus the priorities within individual investment plans. However, it must be acknowledged that some homes will not be able to achieve some standards, due to physical and practical constraints. Regulatory recognition of this reality is important.

Table 4

DO WE NEED TO DEVELOP OUR APPROACH TO SETTING TARGET ENERGY PATHWAYS TO ENSURE WE UNDERSTAND THE RESIDENTS LIFESTYLE NEEDS?

Data

Currently, our sector is "data rich, intelligence poor". Despite having vast amounts of data, the challenge lies in collating it, formatting it correctly and using it effectively to plan Target Energy Pathways. Improving how we manage and utilise this data is essential for making informed decisions.

Residents

Target Energy Pathways must be planned based on certainties. Residents' lifestyles can change as they move in and out of homes, making it impractical to base pathways on individual preferences. Instead, pathways should be grounded in the fundamental requirements of the house itself, ensuring a robust and consistent approach.

Residents can also be resistant to surveys. These surveys can be invasive and residents may object if they do not see immediate, tangible benefits. To mitigate this, we should consider consolidating multiple surveys into a single whole-house survey conducted in one appointment. This approach would minimise disruption and make the process more acceptable to residents.

Legislation

Changes to standards and legislation will inevitably affect existing energy pathways. New housing quality standards or legislative adjustments necessitate revisions to our plans. The more notice we have of these changes, the better prepared we can be to adjust and develop new pathways as needed.



The logic of Target Energy Pathways for Wales social housing was supported and endorsed. We need to know how we are going to decarbonise our residents homes, to reduce both the carbon footprint and residents heating costs.

We need to focus primarily on the ‘bricks and mortar’ investing in the asset for the long term. Residents needs and demands may change, but if the pathway is focussed on the asset we should achieve our goal.

Table 5

NOW WHQS STANDARDS AND ORP INVESTMENT PUT ADDED PRESSURE ON A SECTOR WITH LIMITED SKILLS AND RESOURCES, HOW DO WE MAKE SURE THAT WE CAN DELIVER OUR PROMISES?

Funding

One of the primary challenges is the uncertainty surrounding long-term funding options, making it difficult to create comprehensive investment plans. Without clarity on Welsh Government funding, we cannot effectively invest in necessary training and apprenticeships. Greater transparency about future funding from the Government is essential to facilitate planning and investment in workforce development.

Career Pathways

Changing perceptions about trades among parents and students is crucial. Trades jobs are often undervalued and we need to educate communities about the valuable and rewarding career opportunities within the trades across the construction sector. Schools should play a critical role in this transformation. They need to actively highlight career paths in the construction industry and newer decarbonisation roles, providing students with work experience and by showcasing the potential for career growth. By making these careers more attractive and outlining clear personal development trajectories, we can attract more young people into the construction field.

Limited Workforce

RSLs' supply chains face competition for a limited workforce. One way to address this issue is by ensuring that employers in the supply chain commit to paying their staff the living wage rather than the minimum wage. This commitment can make jobs in this sector more appealing and sustainable for workers.



Government Involvement

The Government needs to take an active role in driving change through future planning. One effective strategy could be to require employers to meet a quota for apprenticeships, linking this requirement to Government funding. This approach would ensure a steady influx of new talent into the industry and support long-term workforce development.



ROUNDTABLE DISCUSSION CONCLUSIONS

There was unanimous agreement that WHQS sets clear standards for social housing in Wales and that the updated 2023 standard reflects reasonable current expectations, including support for the Target Energy Pathways. There were also some other common themes from the roundtable discussions:

- Property Surveys should be consolidated into combined 'super surveys' - disrupting customers once for maximum data capture (and there already are some good practice examples).
- Data management, modelling and utilisation needs to become much more comprehensive so all the data we have and capture is used intelligently, to plan comprehensive long term asset investment programmes that fully overlay planned elemental investment with decarbonisation investment.
- Collaboration on investment programme outcomes, to develop a Welsh library of property archetypes and the investment needs, solutions, costs and energy usage.
- Use consortia / CHIC to aggregate RSLs' joint programmes of work to create a sophisticated longer term, rolling programme of investment plans, on a geographical basis.
- Take this to engage with consultants contractors and the supply chain to provide focussed visibility and certainty of work, monitoring workforce stability and price efficiency.
- And use this to engage at scale with schools and colleges to prove the long term opportunities for career paths in construction and energy sectors.

To deliver this we need certainty of funding with commitments both from Welsh Government for great (ideally one, comprehensive fund) and within the business plans of individual RSLs'.

CHIEF EXECUTIVE COMMENTS

CHIC is really grateful to the sponsors of this event **CoreLogic, Joyner Group, Broad Oak Group** and **Everwarm** for enabling us to bring such a committed and informed group of stakeholders together for these discussions.

Our speakers were informative and engaging, both in their own presentations and the panel discussion.

Thank you to all of the delegates for your involvement in the interesting and conclusive roundtable discussions. We hope this document does justice to the topics covered and individual views expressed.

I have tried to capture the key conclusions from the five roundtables in this final section.

John Fisher
Chief Executive

CoreLogic



Joyner Group

BROAD OAK GROUP

Everwarm
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