

Carmarthenshire Homes Standard Plus (CHS+)

Business Plan

February 2020



carmarthenshire.gov.uk/housing

Cyngor **Sir Gâr**
Carmarthenshire
County Council



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Foreword by our Executive Board Members

We are pleased to introduce our Carmarthenshire Homes Standard *PLUS* (CHS+) Business Plan 2020-2023, which sets out our priorities, plans and actions for new and existing council housing for the coming years.

Through careful financial planning, this Plan will not only allow us to continue to maintain the standard and start to look at how we approach the decarbonisation agenda, but will provide a further boost, over and above what has already been delivered, to our ambition to build even more affordable homes.

We plan to continue to invest over £49m in maintaining tenants' homes over the next three years. This will include upgrades to existing homes such as replacement kitchens and bathrooms, but we will be also starting to develop plans in relation to the decarbonisation agenda and the cost-effective measures we can introduce that will reduce carbon emissions but also provide our tenants with real savings in running their home. We will continue to sustain this investment.

Also, four years into our promise to deliver 1,000 more affordable homes by 2021, we are delighted to say that we have nearly reached the target a year early, with 985 households benefitting from more good quality low-cost homes, targeted at those households most in need.

Demand for social housing remains high and want to do more. We are already on site in Dylan, Llanelli, Garreglwyd in Pembrey and Glanmor Terrace in Burry Port. Further developments will follow that will include rural developments, as part of our new 10-year plan.

We will also be linking our housing investment programme with wider regeneration initiatives and plan to develop a joint, even more ambitious, masterplan. This will enable a real focus on the exciting proposals we have for developments in the Tyisha ward, the Wellness Village, Town Centres and key rural towns. Nearly £52m has been set aside for the next three years.

Finally, we know that the introduction of Universal Credit (UC) last year presented a cultural change for many tenants in managing their monthly budgets. This continues to be a major challenge for us in terms of future income and, more importantly, for tenants. Nearly 1200 tenants have already transferred over to the new system and an action plan to reduce the impact as much as possible for tenants across all tenures has been introduced, which is proving successful in mitigating the impact.

These are exciting times, but we know that this is also a time of uncertainty for our tenants. As a result, we have been able to keep the rent increase for 2020/21 at an average of 2.7%. This achievement should not be underestimated.

We are conscious, however, of balancing demands in our plans. Over the next year we must ensure clarity from Welsh Government on their future financial priorities in terms of

maintaining existing standards, introducing new standards to support the decarbonisation agenda and building much needed affordable homes for those in need. All three demands are important for existing and prospective tenants and we are managing that balance well at the current time.

Most importantly, however, we want to during 2020-21 to evolve our CHS+ standards and plans in order that they continue to be fit for purpose for the long-term future. This will mean tenants benefiting from homes that are carbon friendly, cheaper to run and are flexible enough to cater for changing circumstances throughout people's lifetimes.

We are so proud to be delivering on our promise to local families and this will continue to be achieved by continuing to work together and making a real difference in our communities and to the local economy.

Linda Davies Evans Executive Board Member for Housing	Cllr Hazel Evans Executive Board Member for Environment	Cllr David Jenkins Executive Board Member for Resources
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Introduction

Introduction

The Welsh Housing Quality Standard (WHQS) is the Welsh Government (WG) standard of social housing quality. The WHQS was first introduced in 2002 and aimed to ensure that all homes are of good quality and suitable for the needs of existing and future residents. WG set a target for all social landlords to improve their housing stock to meet the WHQS as soon as possible, but in any event by 2020.

Carmarthenshire's tenants developed their own standard, called the Carmarthenshire Homes Standard *PLUS* (CHS+), and this was successfully delivered in 2015, well in advance of the WG timescales.

Purpose of the CHS+ Plan

The purpose of this Plan is to explain the vision and detail of the CHS+, and what it means for tenants. It also confirms the financial profile, based on current assumptions, for the delivery of the CHS+ over the next three years. The approved Plan enables us to submit our annual application to WG for Major Repairs Allowance (MRA) for 2020/21, which amounts to £6.1m.

Evolving the CHS+ Plan

This Plan is updated annually considering the views of tenants and stakeholders, the latest stock condition information, updated financial information, WG guidance and any revised Council policies.

All actions in this Plan will be monitored every two months by the CHS+ Working Group which is responsible for monitoring progress, reviewing and managing the overall 30-year financial plan that supports our planned investment. The newly formed Housing and Regeneration Strategic Group will provide strategic direction and corporate leadership to ensure progress is made on the initiatives in the Plan.

The Well-being of Future Generations Act now makes us think about the long-term impact of our decisions, to work better with people, communities and each other, the effect on the environment and to prevent persistent problems such as poverty, health inequalities and climate change. How this plan links with these well-being priorities, together with the overall governance structure, is set out in Appendix A.

Most importantly, however, we want to during 2020-21 evolve our CHS+ standards and plans in order that they continue to be fit for purpose for the long-term future. This will mean tenants benefiting from homes that are carbon friendly, cheap to run and are flexible enough to cater for changing circumstances throughout people's lifetimes.

2019/2020 Achievements

The previous CHS+ Business Plan 2019-2022 has achieved a number of notable successes over the last 12 months: -

We have:

- Spent over £15m to maintain the CHS+ in tenants' homes;
- Delivered nearly 1,000 affordable homes in four years;
- Completed 530 adaptations, with over £1.9m being invested to ensure tenants' homes meet their needs;
- Conducted a STAR tenant satisfaction survey. A questionnaire was sent out to 5,000 tenants selected at random achieving an impressive 29% response rate;
- Introduced "our approach to tenant involvement" which sets out our vision for future tenant engagement and involvement in strategic decisions;
- Developed a three-year Community and Environment Programme of works to be carried out on estates, helping to improve the health and well-being of our tenants;
- Carried out over 30 community tidy up events;
- Adapted the planning for real model (an innovative approach to community engagement used in the Tyisha area in Llanelli), successfully engaging with the community, stakeholders and partners to produce themed action plans;
- Managed improvements and lettings of over 800 homes, including new homes added to our stock;
- Started to build 48 new Council homes at Dylan, Llwynhendy and Garreglwyd, Pembrey;
- Housed over 60 households who have specific needs through our Accessible Housing Register (AHR);
- Registered over 3,000 applicants for our Choice Based Letting scheme, Canfod Cartref, giving tenants more choice, which will make tenancies more sustainable; and
- Successfully managed the transition of 1,200 tenants onto the Universal Credit system.

The following sections will provide the context to, and detail of, what we plan to deliver over the next three years, including how we intend paying for it, the community benefits and verifying what we have done.

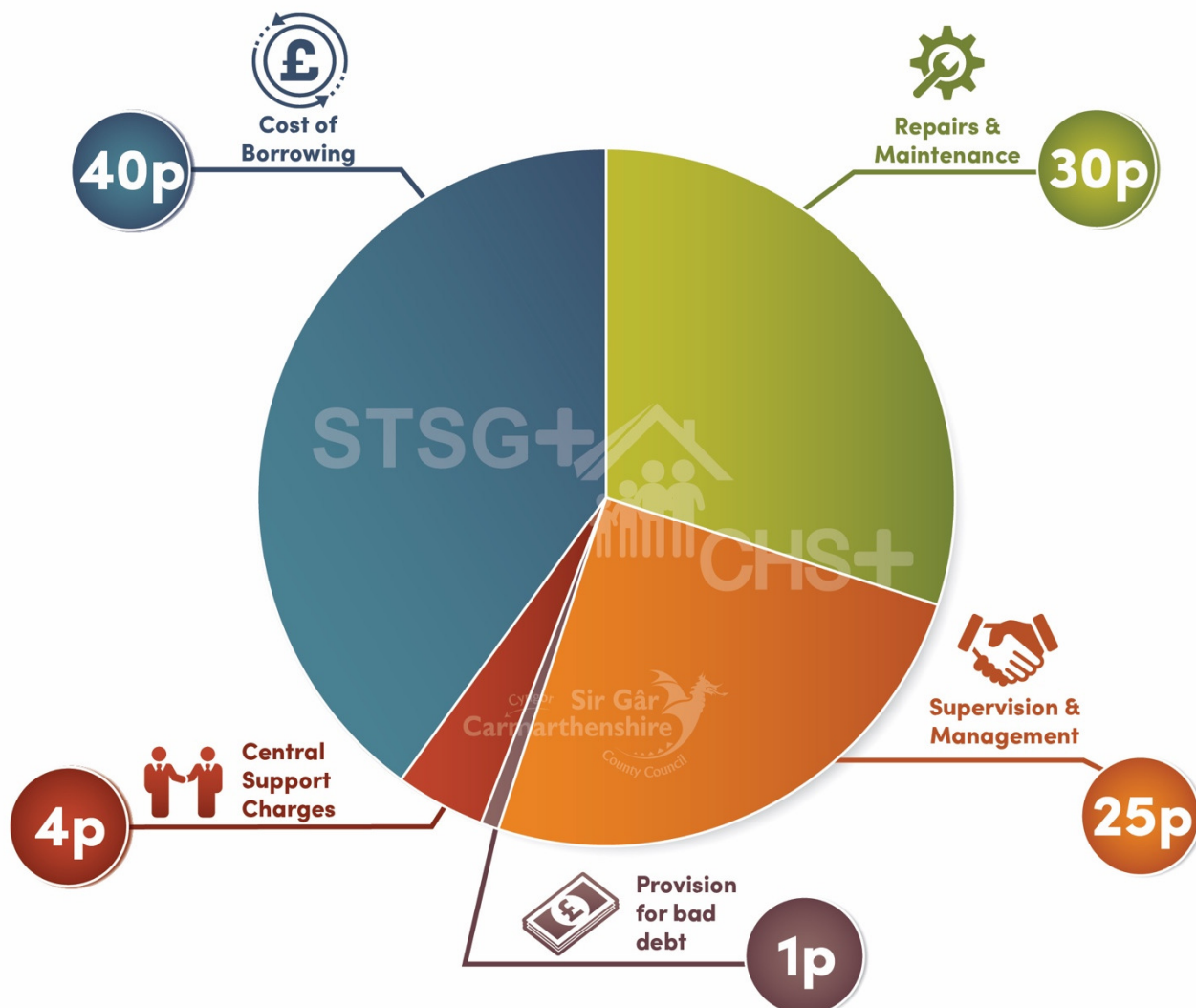
The importance of strategic asset management in providing the foundation for our investment plans, as well as the central role of supporting tenants and residents in everything we do, is also highlighted. Leading on from this, we will cover three key themes that have been identified in terms of future investment. These are:

THEME 1 - Supporting Tenants and Residents.

THEME 2- Investing in our Homes' and the Environment.

THEME 3 - Providing more Homes.

The following graphic describes what we spent your rent on in 2019/20:



40p Cost of Borrowing
(the cost of repaying money we borrow to improve your homes and providing additional homes)
Total spend = £14,542,216

25p Supervision & Management
Cost of managing and running the service (overheads) including salaries, premises and admin.
Total spend = £9,182,749

30p Repairs & Maintenance
(the cost of keeping your homes in good condition).
Total spend = £10,879,414

1p Provision for bad debt
(the cost of writing off debt when there is no option to recover money we're owed).
Total spend = £504,063

4p Central Support Charges
Cost of supporting the service we provide like accountancy, HR, legal, and IT
Total spend = £1,652,218

*Figures have been rounded to the nearest pence/million pound. We also receive in addition to your rent an extra £1.5M from such items as interest, commission from Welsh Water and other revenues.

Context

The CHS+ Business Plan

This Plan covers all housing services and assets in the Housing Revenue Account (HRA). It sets out the objectives of the CHS+ and what this means for tenants and leaseholders across a range of housing activities.

The Council has:

- Over 9,000 homes;
- Over 1,400 garages (including bases); and
- Areas of land.

Details of our housing assets and the profile of our tenants and applicants are set out in Appendix B.

This Plan confirms the delivery programmes of repair, maintenance and improvement, as well as setting the framework for the potential redevelopment of some of the most uneconomic stock. This is set in the context of maintaining our 100% compliance with WG's WHQS, and we will continue to do this through the CHS+.

This Plan demonstrates our commitment to sustained investment and shows how the investment in the existing stock is delivered, as well as an ambitious affordable homes programme. We have also ensured a balance of investment across the entire housing stock so that our capital and revenue spend is complementary, enabling tenants to receive best value services.

We will invest nearly £49m in our existing homes over the next three years, including £4.5m on decarbonisation-based initiatives. This is based on current assumptions, together with a three-year revenue provision of £10m a year for planned and responsive repairs and maintenance. We have also identified a further £52m to build more Council homes, aligning with our wider delivery ambitions.

The delivery of the above investment, however, must be built on a robust approach to managing our housing assets.

Our approach to managing assets

Managing housing assets goes beyond just investing in good repair and improvements. Asset management is also about reviewing and potentially changing the asset base to end up with the right homes in the right location, supported by excellent, flexible services for our tenants. It must consider quality and value for money, particularly the whole life of a home and how running costs will affect tenants.

By applying an effective asset management strategy to our 9,000 plus homes, it will also enable us to meet our legal requirement of maintaining the CHS+ in the future.

Consequently, our approach is underpinned by the following principles:

- Carrying out regular stock condition surveys to assess condition, use and required investment;
- A planned maintenance programme achieving value for money by replacing components such as kitchens and bathrooms based on need, not time;
- A regular cyclical maintenance programme for certain components in a home e.g. heating appliances, electrical upgrades and external painting;
- A continual programme of works to meet health and safety requirements e.g. asbestos removal and structural repairs;
- A maintenance service to respond to unplanned failures in homes and to prevent deterioration in their condition, such as boiler replacements;
- An efficient and effective voids repair service, helping to quicken the repairs process and save money by carrying out CHS+ works when a home becomes empty;
- A programme of environmental estate improvements that is strategically targeted;
- A basic check to all homes on an annual basis through our existing visits;
- A more in-depth visit to homes where there are potential issues in terms of condition, tenancy or welfare issues;
- Continuing to invest in adapting homes to suit the needs of tenants;
- Understanding the future investment needs for our sheltered housing stock;
- Completing individual options appraisals if homes are no longer fit for purpose to determine the best course of action, including considering demolishing homes, or disposing of them;
- Completing options appraisals on sites that may need converting into homes that can better meet housing need; and
- Delivering the targets within the Affordable Homes Delivery Plan.

When considering the above we will:

- Engage with tenants, stakeholders and Members using new ways of participation and challenge;
- As far as is possible, meet tenants' aspirations and priorities;
- Maximise our assets and minimise liabilities;
- Seek value for money in all investment decisions and contract procurement;
- Comply with current and future regulations;
- Create good neighbourhoods for Council tenants and their neighbours; and
- Provide assurance to the Council's auditors and regulators that our housing service is well managed.

We fully recognise that in order to achieve the above we must ensure that:

- The right structures, skills, resources and capacity are in place to manage future programmes, procurement and contract management effectively;
- Robust stock condition information, data and analysis is in place to produce programmes of investment that will appropriately maintain and improve standards, as well as services to tenants;

- Our data is further enhanced and regularly validated by feedback from all programmed and cyclical repairs, and maintenance activities; and
- We complete our cost certainty exercise for our overarching 30-year financial plan.

Over the next 12 months we will continue to focus on ensuring that asset management resources, both people and systems, are challenged to make sure they are in the right areas for the future. Our joined-up approach will enable us to:

- Commence a rolling programme of stock condition surveys to verify our cost certainty business plan, identify gaps and provide independent verification;
- Understand why work has not been completed within the stock, such as when the tenant has requested that no work be carried out. These are called acceptable fails; and
- Review our asset management systems and strategy to ensure all stock is fit for both current and emerging needs.

Ensuring our assets are economical to maintain and meet our strategic objectives

Homes

Every year there are a small number of homes that need major work. Generally, these are homes where the previous tenants have declined the CHS+ works, or where structural works are identified in tenanted homes.

Before committing to do the work, we need to ensure that the level of expenditure, and the housing need can be demonstrated. This is important to avoid major investment being made in a home that could remain empty longer than we would expect. It is necessary to have a consistent approach, and this is known as an MSCA (Most Satisfactory Course of Action).

Similarly, when we identify a number of similar repair issues in homes, in a particular area, we will consider whole site appraisals. This enables us to gather whole life costs for our homes in a defined area so that we can consider longer term solutions. Where high investment is required and there is low demand for homes in the area, tenants, leaseholders and stakeholders will be involved in the option appraisal process.

Garages

We will continue to actively gather information on the types of agreements used and the condition of garages, in order to:

- Repair and maintain existing garages which are in-use and/or vacant. An assessment will be made, and if any are unsafe and need demolishing on health and safety grounds, we will:
 - Establish who uses garages and bases;
 - Standardise agreements and charges; and
 - Consult on future options for garage sites.

A full update report will be provided on garage sites where options have been considered and actions taken, as well as sites where decisions still have to be taken.

Land

We have areas of land across the County. As part of our commitment to affordable housing we have identified areas of land that could be used for development, prioritising those in areas of greatest need.

Where we have identified areas, however, which have no use and cost us to maintain we shall include them in a programme for sale. The receipts from sale contribute to maintaining the CHS+.

Sewage Treatment Works

We currently have 15 treatment works serving 154 homes and 8 septic tanks. Over the last 12 months we have reviewed the charging arrangements and monitored the ongoing maintenance of these facilities in order to consider future options and arrangements for all tenures. We will develop a programme and consult with residents on the future strategy for maintaining and charging for sewage treatment works.

Theme 1 - Supporting Tenants and Residents

The commitment and support of our tenants' and Members' continues to be important to us to ensure that we maintain and improve on the CHS+ in the future.

Tenant and residents' engagement and communication

Tenant and community engagement have always underpinned the delivery of the CHS+, but we want to do more. We want to get better by engaging as widely as possible and maximising opportunities to help build stronger communities.

We also believe we should give our tenants the opportunity to influence decisions about their homes, the area they live and ensure the services they receive achieve value for money. Our vision is: -

"To make it easy and inviting for tenants to get involved in shaping strategic decisions and improve services through meaningful involvement by ensuring residents have the relevant skills".

What are our tenants telling us?

During the summer months we undertook a tenant satisfaction survey. In total, 2,087 tenants took part in the survey, which represented a 29% response rate overall. A quarter of the total number of responses were collected online (513), and 82 surveys were completed in Welsh (4%).

Many questions in the questionnaire asked tenants how satisfied tenants are with the services provided. The full results are summarised in Appendix C.

What were the headline results and how do they compare with others?

Tenant Satisfaction across the housing sector in Wales ¹				
Question? Satisfaction with:	Housing Assoc.	Voluntary Transfer	Retained Councils	CCC
service	90%	83%	78%	82%
repairs and maintenance	81%	78%	71%	75%
listening and acting on tenants' views	76%	73%	61%	64%

¹ Welsh Government 2019

82 % satisfied with the service overall



Tenants aged under 25 or over 65 were the most satisfied;



Satisfaction rates were lower for 35-54-year-olds;



Satisfaction rates did vary by wards; and



There were clusters of below average satisfaction in more urban wards.

What happens next?

- Further in depth analyse of results to get better understanding of differences in satisfaction rates by age, by ward and property type;
- Revamping of our approach to the way we listen and act on tenant's views;
- Using results to inform our service planning and developing and implementing actions to further improve rates.

Responding to Universal Credit

Universal Credit (UC) is a new monthly payment for people who are either unemployed, or working, but on a low income. It will eventually replace six legacy benefits, including Housing Benefit. For Carmarthenshire, it was introduced in December 2018. We currently have nearly 1,200 tenants on Universal Credit. How tenants on UC currently pay their rent is shown in Appendix B. This is a fifth of our working age tenancies.

We anticipate, unless things change, that a further 4,000 tenants could transfer over the next two to three years. From a business point of view, evidence from other social housing providers has shown that rent arrears will increase in the short to medium term and we have allowed for this within this plan in terms of our bad debt provision.

We are pleased to say that, to date, there has only been a slight increase in rent arrears overall- just over 100k from the same time last year. This is lower than we had been expecting and certainly compares very favourably with the experience of other social housing providers.

This has been achieved as a result of:

- Ensuring that tenants are aware of what help we, or our partner organisations, can offer;

- Contacting all tenants who have made a claim for Universal Credit to discuss any support needs;
- Continuing to work with housing providers to ensure that they are ready to provide support to our tenants;
- Increasing the range of Direct Debit (DD) payment dates available to tenants; Tenants will be able to choose any date within the month between 1 and 28;
- Enabling tenants to use the new 'My Account' facility to view their rent balance and recent rent transactions. It will also allow them to pay their rent, order a new payment card and request a direct debit form;
- Working closely with Welsh Water to encourage tenants to make an application under the 'HelpU' tariff which helps low income households to reduce their water bill;
- Targeting our prevention fund to help the most vulnerable tenants;
- Developing guidance documents and procedures to assist in staff training;
- Introducing payment reminder e-mails and texts for individual tenants; and
- Building close partnerships with Housing Benefit, Job Centre Plus and DWP staff.

Focusing on Pre-tenancy work

We created a pre-tenancy service because we knew that tenants were being allocated homes with no prior insight into what a tenancy actually involves. Many are young, with no previous experience of running a home, living on a small budget. Unsurprisingly some end up going into rent arrears, cause noise or disturbance to their neighbours and ultimately lose or end their tenancy within the first year or two.

We have set up the 'Home Ready' project which provides support and training to applicants and potential new tenants of the Council before a tenancy begins. The project was set up to help housing applicants and new tenants prepare for their new home; making them financial stable, tenancy aware and without debt in order to sustain their tenancy, prevent homelessness and support them to thrive in their local communities.

This project has resulted in:

- 224 households being supported through the project;
- The course being delivered in a group setting to 76 prospective tenants and to over 90 new tenants, with 100% positive feedback to date;
- Nearly 60% of new tenants opting to pay by Direct Debit or Standing Order;
- Identifying 55 households in need of financial support to help furnish their homes. Receiving on average £1300 of goods to help furnish their homes, avoid debt and sustain tenancies;
- Housing Benefit payment times falling from 6 weeks to 2.5 weeks; and
- Development of a pre-tenancy promotional video for website and partner agencies.

Our approach to this year's rent increase

For 2020/21, through careful financial planning, we have been able to keep the average rent increase to 2.7%.

Theme 2 – Investing in Homes’ and the Environment

In 2015 we achieved the CHS+ to homes where tenants have agreed to have work completed - well before WG’s target of December 2020. This is in line with our agreed assumptions that the standard of our homes will be to the CHS+ and replacement programmes will be based on condition, not time.

However, we wish to do more to enable affordable warmth for our tenants. Our ambition to develop a new standard has the potential to be hugely transformative in terms of reducing carbon emissions but also; -

- Improve homes and health outcomes;
- Tackle fuel poverty; and
- Create jobs and training opportunities in some of our poorest communities.

We need to ensure that both our new build activities and retrofits of existing properties are cost effective and meet our ambitions and obligations related to climate emergency (in particular our commitment to becoming a net zero carbon local authority by 2030). Whilst also meeting our ambitions to alleviate fuel poverty, support the vulnerable, develop the supply chain in terms of new technologies, and stimulate a sustainable local economy. We are committing to planting a minimum of 1,000 new trees to offset our carbon footprint of building 1,000 new homes.

We know that housing will play a significant part in contributing to the Councils overall ambitions and we recognise that we need specialist support to help develop an associated energy strategy for housing that meets our requirements and addresses the specific challenges that Carmarthenshire faces. By working in partnership and engaging with existing and future tenants we intend to:

“develop a new Carmarthenshire standard by continuing to move towards carbon neutral homes, both existing and new, ensuring new supply chain, jobs and training opportunities are delivered”

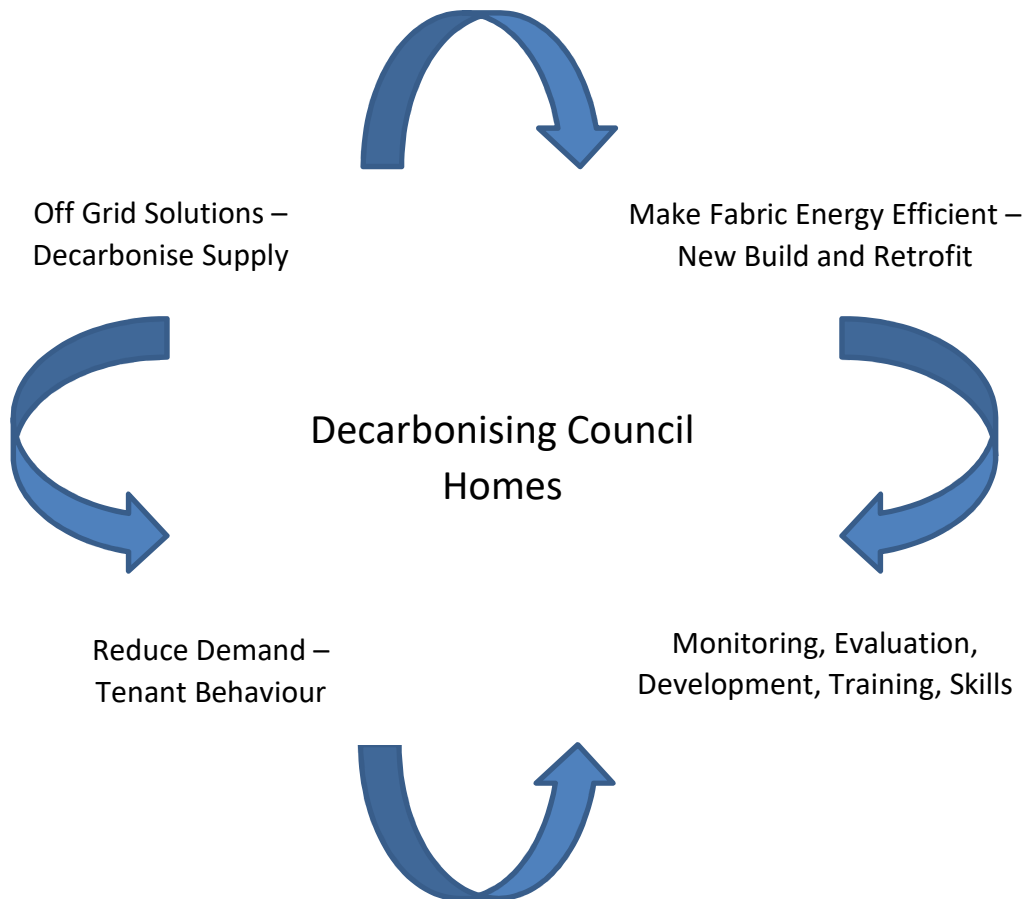
Homes as Power Stations – Decarbonising Council Homes

Aligning with the above, we also want to maximise the impact of the Swansea Bay City Region Deal ‘Delivering Homes as Power Stations’ project. We see this as a huge opportunity for Carmarthenshire and we are currently developing a model to decarbonise our council homes.

We believe adopting a partnership approach will offer us the greatest opportunity to deliver our ambitions, keep up with emerging and developing technology, provide the opportunity to monitor the impact on tenant’s bills and health and adjust our programmes accordingly. The model will demonstrate:

- how the strategy maximises local employment and is a catalyst for economic regeneration. For example, by leveraging local SMEs, contractors, training providers and large employers;
- how the strategy is compliant with current and known future requirements, such as the Wellbeing of Future Generations Act; and
- the estimated carbon reduction achieved against the existing position.

How we will work in partnership to develop and deliver the Decarbonising Council Homes model:



Decarbonising Council Homes - How will the model work?

- **Make Fabric Energy Efficient** – we will ensure that our extensive new house build and retrofit programmes integrates new technologies to allow homes to generate, store and release energy;
- **Monitoring, Evaluation, Development, Training, Skills** – we will focus on smart technologies in relation to energy demand management and ensure that we incorporate leading research to monitor the effectiveness of emerging technologies. We will aim to attract new sector supply chains and high value manufacturing and construction operations to deliver the skills and services we need to meet our ambitious plans.

- **Reduce Demand – Tenant Behaviour** – we will help tenants to better understand their fuel use and living environment. We will work with tenants to provide training on the use of the new technologies installed in their homes and provide remote assistance for those that need it.
- **Off Grid Solutions – Decarbonise Supply** – we will explore our natural environment and harness off grid energy sources such as wind and water. To help to generate sustainable and affordable energy to homes and address fuel poverty.

We are unsure of the exact value at this stage nor timescales. However, we do know that different models will be required for different homes in different locations – multiple solutions. The essential focus will be on cheaper energy, the infrastructure, retrofitting, and a 10-year plan tailored for Carmarthenshire. Mixed approach with a focus on monitoring. There is a need to include monitoring, evaluation and improvement in order to future proof the work.

The decarbonisation of Council Homes will not only provide affordable warmth for our tenants but will bring with it market confidence to develop and create jobs and employment for the local economy being a long term 30-year project. Creating a new local supply chain, with trusted local installers. We recognise the importance of communities and their role in changing behaviour, as Tenants' behaviours will affect everything we do.

To further develop the model and establish the appetite of the market we will carry out an Early Market Engagement (EME) exercise in 2020/21. This will inform us on how best to approach and deliver the project.

Retrofitting our existing housing stock with low carbon technology

As part of developing our decarbonisation plans, we are working with the Welsh School of Architecture at Cardiff University to install a range of low carbon technologies on a small number of our homes. We have identified a small scheme for which we will receive support for the cost of technologies from the SPECIFIC 2 LCBE project which is part-funded by the European Regional Development Fund through the Wales European Funding Office.

The approach combines renewable energy supply, energy storage and energy demand reduction technologies creating a holistic approach to retrofitting. The solutions proposed are:

- External wall insulation (EWI);
- Loft insulation;
- LED lighting;
- Mechanical ventilation with heat recovery (MVHR);
- High efficiency gas boilers;
- Solar PV (location dependent on the orientation of each house); and
- Lithium ion batteries.

Where tenants have agreed to participate in this scheme, over the last 12 months, discreet monitoring equipment has been installed to measure the environmental conditions and energy use in the homes before has been carried out. We will continue to monitor the

environmental and energy consumption during and after the work is completed for a further 12 months. We will be analysing the results of the installation of low carbon technology in terms of costs, benefits to tenants and ease of use.

Maintaining the Carmarthenshire Homes Standard Plus (CHS+)

Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Maintaining the standard is now a statutory duty, and the Council has made a commitment to achieve and maintain the CHS, which states that all homes will be:

- in a good state of repair;
- free from damp;
- free from significant condensation;
- structurally stable;
- in safe and attractive environments;
- suitable for the household; and
- managed to the CHS+

Our on-going consultation has identified five key themes in this area:

- **Repairs and Maintenance** - proper and timely maintenance, consistent service, maintain homes to a high standard and continue to improve the housing stock;
- **Internal Works and Servicing** – heating, bathroom and kitchens, soundproofing in flats, removal of old plumbing and electrics and options of a newer kitchen;
- **External Works and the Environment** - roofs, removal of moss, rendering, tackling dampness, paths, solar panels, responding to requests for paths, provide a home that is secure, fencing, painting of outside of houses, garden walls and improve communal areas;
- **Void Homes and Safer Communities** – make void properties available for letting as quickly as possible, minimising rent loss and maximising the housing available, whilst striving to meet CHS+; and
- **Improving Standards** - improvements which result in tenants maximising their income/saving money on utilities, a standard that doesn't stand still and provides service improvement.

The actions identified to address these themes are set out below. The resultant investment requirements have been built into the HRA Capital Programme 2020/2023 (set out in our capital spend table on page 31)

Repairs and Maintenance: The responsive repairs service has more contact with tenants and customers than any other part of the maintenance service and is therefore used as an important measure of how effective both the Housing and Property services are by the majority of customers. In the recent tenant survey 75% of tenants were satisfied with repairs and maintenance overall; and 79% of tenants were satisfied with last completed repair.

The objective of the repairs service is to provide a customer-focussed responsive and cyclical repairs service, which achieves high levels of performance, customer satisfaction and good value for money. We will continue to achieve this by:

- Advising tenants when they report minor repairs how quickly we can carry out the repairs. We will always prioritise emergency and urgent repairs. For larger repair requests, we will often assess the problem first before letting tenants know how long the works will take;
- Carrying out repairs in the timescales we have set out or at a time that is more convenient for the tenant. Sometimes, however, there may be delays because we cannot get materials, we need to carry out further investigations or the work is dependent on the weather;
- Introducing an appointments system for our urgent responsive repairs service, using mobile technology to make appointments with tenants at a time convenient for them, and evaluating the effectiveness of this service; and
- Introducing automatic scheduling of repairs to ensure more efficient and timely use of our in-house repair teams.

Internal Works - For internal components such as kitchens, bathrooms, electrical upgrading and central heating, we replace components nearer to the time of failing. We will achieve this by:

- Contacting tenants who have previously declined CHS+ works to discuss any issues they have and agree with them when works are to be programmed; and
- Ensuring homes have the appropriate smoke alarms, heat detectors or carbon monoxide devices, and discuss with tenants how we can upgrade these to improve the fire safety within their homes.

Servicing – The objective of the servicing process is to assess the condition both correctly and consistently of our gas, oil, electric and solid fuel appliances. Our cyclical servicing contract ensures that this assessment is carried out annually and enables us to replace components nearer to the time of failing. We have recently reviewed our approach to fire safety across all our stock, and our approach to when tenants have requested not to have work carried out.

We believe that it is in the best interest of tenants, and to protect our investment, that tenants will no longer have the option to decline electrical works including the installation of hard-wired smoke detectors and Carbon Monoxide (CO) detectors. We will achieve this by:

- Continuing our annual programme of safety checks on gas fires, and gas or oil boilers, and only replace boilers with energy-efficient condensing boilers, when defective and no longer economical to run; and
- Checking homes have the appropriate smoke alarms, heat detectors or carbon monoxide devices, and discussing with tenants how we can upgrade these;
- Gaining access to ensure that the necessary works are completed; and
- Installing servicing timers when we gain access (where a tenant repeatedly does not give us access), to help tenants understand and manage their responsibilities under their tenancy agreement and help us to protect the lives of tenants.

External Works and the Environment: - whilst it is known that our homes are generally in good condition and meet the CHS+, our objective is to achieve economies of scale by only replacing components nearer to the time of failing; and thus, saving tenants money. We will achieve this by:

- Continuing to review and update our annual programme of roof and render component replacement including providing exterior wall insulation (EWI), based on evidence and need, and not time;
- Working with a range of partners to identify opportunities to install low carbon technologies to our housing stock to try to save tenants money on their energy bills, improve the comfort of tenants' homes and reduce pollution in the environment;
- Continue our programme of replacing structural boundary and retaining walls; and
- Ensuring sheds and outhouses, gardens, paths and fencing meet the CHS+ standard where reasonably practicable, where we carry out planned external works.

Empty homes (voids): The objective of the void process is to make void homes available for letting as quickly as possible, striving to meet customers' expectations. We will achieve this by:

- Completing individual options appraisals if homes are no longer fit for purpose to determine best course of action, including considering demolishing homes, or disposing of them;
- Making sure that homes are maintained to our standards and any repairs from previous tenants have been carried out before a new tenant moves in, together with making sure gardens are clear of rubbish and safe to use;
- Make void properties available for letting as quickly as possible, minimising rent loss and maximising the housing available, whilst striving to meet CHS+;
- Ensuring every new tenant receives relevant information about their new home including information on boiler inspections, asbestos advice, Energy Performance Certificates (EPCs), electrical tests, recycling and service charges if applicable; and
- Providing additional investment to bring the "back-log" of major works voids back into use.

Improving Standards - Tenants have told us they do not want a standard that stands still. We will achieve this by:

- Engaging with tenants on our Decarbonising Council Homes plans and ensure they become fully involved;
- Giving tenants a say through single-issue meetings, digital participation and challenge panel;
- Developing a programme to ensure we have robust and up to date Energy Performance Data (EPCs) to better inform future planned programmes which includes energy saving measures;
- Continuing our programme of providing adaptations for our tenants to ensure that our homes meet their needs;

- Continuing to utilise our stock in an efficient manner through the Accessible Housing Register (AHR), where a void property with existing adaptations is matched to a client on the AHR whose needs will be met;
- Evaluating over a 12-month period a pilot undertaken in 2019 of a bio-degradable soft wash treatment to treat the effects of lichen and algae growth on affected properties; and
- Investigating the potential costs and benefits of undertaking a programme of external works such as gutter clearance and external high-level cleaning on homes.

Type of work to be completed in 2020/21

We know the following work may be required to maintain the standard in 2020/21.

Type of work/components	Target homes to be completed in the full year 2020 – 2021
Kitchens	69
Bathrooms	62
Central heating Systems	53
Electrical Systems	41
Mains Powered Smoke Detectors (upgrading and/or replacing)	800
Roofs	225
Render and Fascia	210
Gardens and outhouse planned programme	22
Retrofitting Low Carbon Technology (increasing SAP rating 65+)	150

The above figures represent target homes to be completed through the planned programme of works. Additional works to homes will also be completed throughout the year as part of void and capital minor works delivery.

Risk Reduction Measures

Approach to fire management

Our approach to reviewing fire risk assessments for our purpose-built blocks of flats, including sheltered schemes has been to assess the likelihood of fires occurring, and any person(s) who may be put at risk from a fire. When carrying out the assessment we have also taken into consideration that fires can be started accidentally, through carelessness or started deliberately.

For each block of flats, where we have identified improvements to be made and an action plan has been developed. This provides a record of present risks, together with an indication of the scope of the changes and/or improvements which need to be provided to minimise the risks present. The risk assessments are monitored by the CHS+ Working Group, as set out in our governance structure.

Radon Testing Programme

Following guidance issued by the Welsh Government, Public Health Wales and Public Health England (PHE), we have started a programme of radon testing in all our homes located in areas where there is a higher probability of high radon levels. The programme is likely to run over a few years.

Officers from the Council will contact tenants and visit their homes to install the detectors, one in the living room and one in a bedroom. Radon detectors are safe and simple to use and can be placed discreetly on cupboards / wardrobes / shelves etc.

The detectors will need to remain in place for a period of 3 months, and at the end of the test period will be collected by our officers and sent to PHE for analysis. We will contact tenants with the results and let them know if we need to act in their home to reduce radon levels to as low as possible.

Further development and new opportunities

Older people's future housing

The evidence of what is needed to meet older people's future housing and accommodation requirements suggests that a sophisticated mix of housing models and approaches will be required over the next 10-20 years. This range covers general needs housing, specialist housing (i.e. housing specifically for older people) and care-based provision (residential/nursing care, hospital-based care).

Investing in sheltered housing

Demand for our sheltered housing remains high generally, but we need to ensure that the right type of support and facilities are in the right schemes. Some schemes are very popular whilst others less so because of things like their location and/or access to amenities.

During 2018/19 we assessed the current standards and condition of our sheltered housing schemes and started a programme of upgrading. As part of our programme we continue to challenge whether schemes will meet the expectations of future residents over the next 10 to 20 years.

We will also continue our annual sheltered housing scheme programme of:

- Communal boiler replacement/upgrades making boilers more energy efficient with the ability to regulate temperatures on site;
- Maintaining and servicing lifts;
- Upgrading aerial and satellite infrastructures and connections to enable tenants to access digital TV and internet services; and
- Transferring lifelines to our Telecare service, giving our tenants a person-centred approach, which can adapt to their needs in later years.

Developing assisted living options for older people

We will consider the requirements and options to develop independent and supported living at Delta Lakes, Llanelli, for rent and for sale. This will include options for older people with learning disabilities and older people living with mental health conditions. The Delta Lakes development will contribute to our ambitious programme to deliver over 1000 new affordable homes over the next 10 years.

Assisting with regeneration plans

In 2018 the Council worked with residents, and other key stakeholders, to develop a masterplan for the potential regeneration of the Station Road area in the Tyisha ward, Llanelli. Station Road is located between Llanelli Town Centre and the proposed Well-Being village in Machynys.

Residents and stakeholders identified the following issues:

- Tackling drug taking/anti-social behaviour and crime;
- Improving the environment in general, including addressing the issues of traffic, providing better transport links, parking, litter and fly tipping;
- Addressing low demand and associated anti-social behaviour at current housing accommodation, the 4 Ty's, Clos Sant Paul and the private rented sector as a whole; and
- Creating more community facilities and opportunities for education, training and employment.

We have developed a transformational plan for the area. The main elements involve developing the area around the Railway Station to create a gateway into the town to include new housing, environmental and street scene enhancements.

We have moved these plans forward and gained agreement from Executive Board to develop the following key actions:

- Initiating a framework of ongoing engagement with residents, businesses and other stakeholders;
- Engaging with the residents of the "4 Ty's" and Clos Sant Paul blocks to discuss their housing needs and future options with a view of gaining vacant possession to redevelop the sites. As part of this work we will carefully look at the surrounding Council owned housing with the view of initiating both face lift improvements and street enhancements;
- Engaging with potential partners with a view of developing a plan for new housing which will result in significant tenure change;

- Decommissioning the current temporary and supported accommodation in Station Road and to provide alternative smaller dispersed and managed units elsewhere;
- Undertaking focused advice and, where necessary, enforcement action involving private rented and empty properties to improve management standards and associated anti-social behaviour in the area;
- Undertaking focused activity to improve street scene and environmental issues which will involve targeting enforcement action where there are hotspots for fly tipping, littering and dog fouling;
- Working with the police and other agencies to tackle public order, drug and alcohol issues;
- Working with Regeneration Teams to encourage new business opportunities, bringing back into use vacant premises;
- To explore the feasibility of developing a community hub for providing a range of services such as early years family support, youth support and employability education and training.

Theme 3 – Providing more homes

Affordable Homes

Providing more affordable homes has been a key strategic priority for the Council for a number of years. In 2015, we published our five-year vision for increasing the supply of affordable homes. In 2016, we set out our first ambitious programme to deliver over 1000 affordable homes.

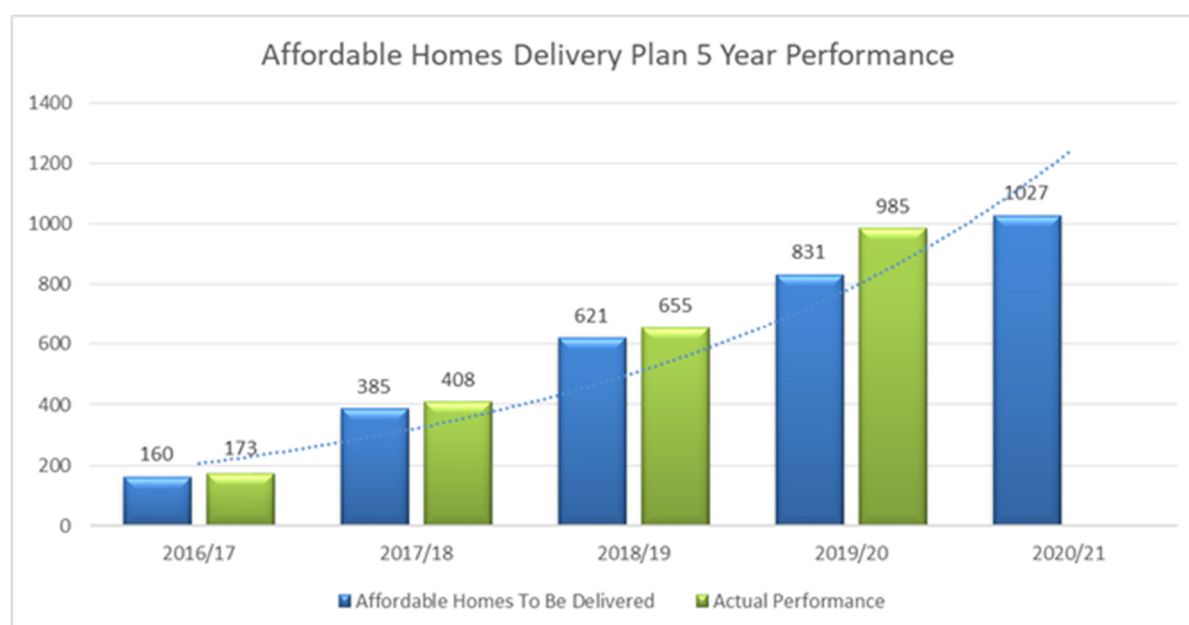
Our commitment to increasing the supply of affordable housing will ensure that we deliver the greatest increase in the number of Council homes in the county since the 1970's and return our housing stock levels to those last seen in the 1990's.

Our Affordable Housing Performance

The first four years have been very successful with 985 additional affordable homes delivered by the end of 2019, almost reaching our original target of 1,000 homes by 2021, a year early.

This includes the start of our new Council house developments in Pembrey and Llwynhendy. Through these developments we will provide 48 new build council homes in our communities. More new-build developments are due to start on site in 2020.

Our overall performance for the last four years (2016/17 – 2019/20) is shown in the graph below:



The delivery of affordable homes to date has been achieved by using a variety of innovative solutions including:

- buying private sector homes;

- supporting landlords in the private rented sector with our Social Lettings Agency;
- bringing empty homes back into use;
- supporting our Housing Association partners to build new homes through the social housing grant programme; and
- Section 106 developer contributions through the planning system.

It was always anticipated that over time, we would need to provide even more affordable homes to meet the actual housing need in the County.

Delivering an ambitious Council New Build Programme

In September 2019, we also published our first ambitious 10-year Council new build programme. This programme will deliver over 900 new Council homes with an investment programme of nearly £150m. The programme was developed by:

- Prudent financial management;
- Setting up our Local Housing Company, Cartrefi Croeso;
- Maximising external funding opportunities, including Affordable Housing Grant, Innovative Housing Programme Funding and Self-Build Wales;

This programme is in addition to the Affordable Homes Delivery Plan that has already delivered an additional 1000 affordable homes.

This programme will further support the current earmarked developments of our housing company 'Cartrefi Croeso'. The Company will not only deliver a mix of new affordable homes for sale or rent but will also offer families additional choices as alternatives to social housing.

The delivery of our new homes will continue to follow the affordable housing action areas developed as part of the Affordable Homes Delivery Plan. Four action areas were created by building up wards in the County into distinct areas, which link geographically and culturally.

The four action areas are as follows:

- Carmarthenshire Rural and Market Towns;
- Ammanford and the Amman Valley;
- Carmarthen and the West; and
- Llanelli and District.

Where will the Council new build homes be built in the next 3 years?

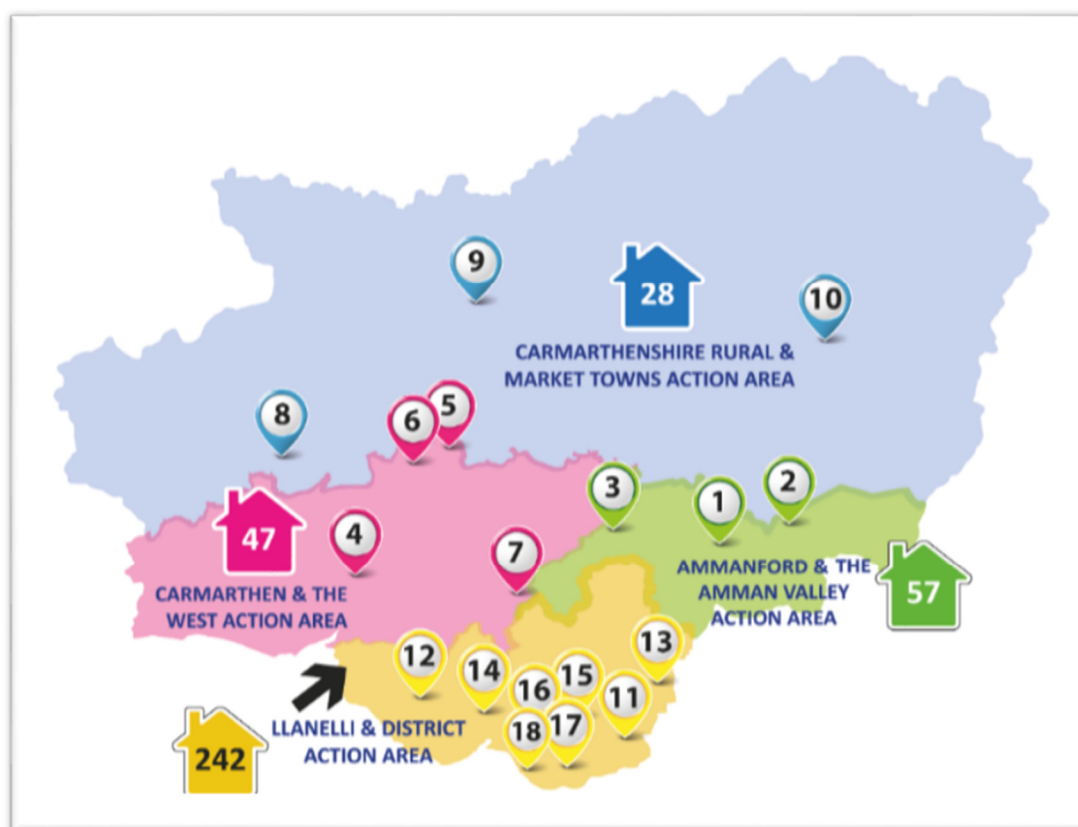
During the first three years of the programme over 300 new Council homes will be built with a total investment exceeding £53m. This investment is currently made up of HRA capital funding and external grant funding. How the programme is funded may change if more grant funding becomes available from Welsh Government.

The delivery of the Council new build programme begun in September 2019 with works starting on two sites and creating 46 homes.

In early 2020 works began on a further three sites, including:

- **Glanmor Terrace, Burry Port** – this development will create 32 highly energy efficient homes that will help mitigate fuel poverty as well as reducing carbon emissions. This development attracted £4.7m of Innovative Housing Programme Grant in 2019/20.
- **Gwynfryn, Ammanford** – this development will create 28 homes, a mix of 2, 3- and 4-bedroom homes meeting local housing need. This development attracted £3m of Affordable Housing Grant in 2019/20.
- **Maespiode, Llandybie** – this is a small development of 8 two bedroom homes. This development attracted £616k of Affordable Housing Grant in 2019/20.

Our programme for the next 3 years, creating over 370 homes, is shown on the map below:



MAP KEY		
1 - Gwynfryn, Ammanford	7 - Brynderi, Pontyates	13 - Llangennech
2 - Garnant	8 - Meidrim, Trelech*	14 - Pentref Gardd, Burry Port
3 - Nantydderwen, Drefach	9 - Land at Alltwalis School*	15 - Llanelli, Town Centre
4 - Maesgriffith, Llansteffan*	10 - Land opposite Llangadog School*	16 - Station Road, Llanelli
5 - Assisted Living Scheme	11 - Dylan, Bynea	17 - Assisted Living Scheme
6 - Carmarthen West	12 - Garreglwyd, Pembrey	18 - Wellness Village Llanelli (Assisted Living)
		* - Being developed by Cartrefi Croeso

The Future – further alignment with regeneration initiatives

We do not want to stand still and, due to the huge success of the Affordable Homes Delivery Plan and the 10-year new build programme, we will also now align our new programme more closely with regeneration initiatives.

This will continue to provide huge opportunities for investment and regeneration including shaping the construction industry and creating local jobs and training opportunities. The will enable the Council and its housing stock to play a pivotal role in not only developing much needed social housing, but also delivering the wider Council priorities to grow the economy.

Our approach will include:

- An ambitions Council new build programme creating mixed tenure developments including, social rented homes, low cost home ownership and open market sale;
- A range of innovative solutions to deliver more affordable homes, including purchasing private sector homes and increasing the Council's housing stock in the areas of greatest housing need; bringing empty homes back into use and managing private sector homes through the 'Simple Lettings Agency';
- Creating more affordable homes by working in collaboration with partners including housing associations and private developers.
- Developing a new build programme for Cartrefi Croeso to maximise the supply of mixed tenure developments, especially in rural areas. This will offer families additional choices as alternatives to social housing; and
- Maximising external funding opportunities and supporting wider regeneration initiatives, including rural areas, town centres.

Funding will come from HRA borrowing and continuing to maximising housing and regeneration external funding opportunities as they become available. We are confident that more funding opportunities will arise, helping us to maximise our impact in our communities.

Community Benefits and Procurement

Community Benefits

The Council is committed to:

- Contributing to the social, economic and environmental well-being of the wider community;
- Asking tenderers to deliver community benefits in our tendering activities through the delivery of the contracts or frameworks awarded;
- Maximising the value for every pound we spend, applying a community benefits approach to any tender valued over £1million; and
- Capturing and recording community benefits utilising WG's community benefits measurement tool.

For contracts completed in 2018/19, two contractors were used through the South West Wales Regional Contractors Framework. Approximately £800,000 of CHS+ works were carried out in total via the framework, achieving the following results:

- For every £1 spent, £1.61 was reinvested into the Welsh economy;
- 53% of the total expenditure was spent on businesses based in Wales
- £57,765 was contributed to the Welsh economy in the form of cash contributions or sponsorships
- £6,700 was contributed to the Welsh economy in the form of in-kind donations of labour, goods and services during the period covered by this submission
- 3 people were hired during this period who were previously unemployed, and who will continue to be employed;
- Over 49 weeks of training was provided, including:
 - 3 apprenticeships started and over 21 weeks carried out;
 - 2 work experience / internship opportunities were started and completed with over 21 weeks completed in total;
 - 2 accredited training opportunities were completed with over 5 weeks in total; and
 - 8 non-accredited training opportunities were completed with over 2 weeks in total.

Funding and Risk Management

Major Repairs Allowance

Every year we receive over £6 million from WG to support our capital investment. The grant comes with clear guidance on what it can and cannot be used for. The main condition is that it must be spent on property within the HRA. It cannot be used for revenue repairs or maintenance, demolition costs, repayment of borrowing etc. A full breakdown can be found in our MRA acceptance letter issued by Welsh Government.

The MRA makes a significant contribution towards achieving and maintaining the CHS. It is currently reviewed annually by Welsh Government and, as such, it is regularly under scrutiny. A reduction or end of the MRA could have a significant impact on our future investment plans.

Planning Assumptions

To help us plan our investments, we must make certain assumptions. Changes to our assumptions may mean that we have to re-visit the objectives included in this plan.

INCOME

Major Repairs Allowance (MRA) <i>i.e. the amount of capital funding we get from the Welsh Government</i>	£6.1m each year. This is on the basis that we receive £673 for each home.	
Rent increase 2020/21	2.7% average	
Future rent increase levels <i>Based on Welsh Government Policy</i>	Consumer Price Index plus 1% from 2020/21 for 5 financial years.	
Borrowing and direct revenue financing (DRF)	Borrowing £35m and utilising £36m DRF over next 3 years to Maintain the CHS+ And deliver our Affordable Homes ambitions.	

OTHER

Expenditure/income inflation	Employees' pay at 2.75% for 2020/21 as per the council fund	
Right to Buy receipts i.e. Money we get from tenants' buying their home	No receipts from 1 st April 2015 following suspension of Right to Buy	
Balances on the revenue account <i>i.e. the amount of money we need to keep in reserve</i>	Minimum of £1.4m (based on £150 per property)	

SPENDING

Assumed Borrowing costs <i>i.e. the amount it costs to borrow money</i>	Cost of existing and new debt: 2020/21: 4.19% And future years	Cost of exiting HRAS: Average of 4.57%
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Provision for Bad debt i.e. debt that we will be unable to recover	2020/21: £514k 2021/22: £524k 2022/23: £535k
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Delivering efficiencies

For year two and three of this plan we will be introducing better ways of working and applying a revenue service efficiency to our supervision and management and revenue repairs and maintenance, to support the value for money provided to our tenants.

CAPITAL SPENDING TO: -	Budget 2020/21 (£000s)	Budget 2021/22 (£000s)	Budget 2022/23 (£000s)
Maintain the standard:			
Internal works - kitchens, bathrooms, electrics, heating	1,263	1,248	1,300
EWI, Render and Fascia (inc. gardens)	2,756	2,500	2,500
Roofing	1,800	1,680	1,764
Structural works - Estates and boundary walls (inc. identified structural works)	1,435	785	170
Voids and Major Works to homes	3,000	2,500	2,000
External Works	180	150	150
Decants	150	150	150
Support Tenant and Residents:			
Sheltered Scheme Investment	3,020	2,270	2,270
Adaptations	1,500	1,500	1,500
Environmental works	380	380	380
Provide more affordable homes:			
Housing Development Programme	16,000	19,195	16,430
Decarbonisation:			
Works to deliver decarbonisation	1,671	1,458	1,425
Support the delivery of CHS+:			
Programme management	643	656	669
Stock condition information	100	100	100
Risk Reduction Measures	598	417	417
Sewerage treatment works & associated costs	184	220	160
TOTAL	34,680	35,209	31,385

CAPITAL FUNDING FROM: -	Budget 2020/21 (£000s)	Budget 2021/22 (£000s)	Budget 2022/23 (£000s)
Welsh Government Grant - MRA	6,120	6,120	6,120

Welsh Government Grant - IHP & other	3,800	900	5,000
Direct Revenue Financing	10,000	10,000	13,281
External Borrowing	14,760	18,189	6,984
TOTAL	34,680	35,209	31,385

REVENUE SPENDING TO:	Budget 2020/21 (£000s)	Budget 2021/22 (£000s)	Budget 2022/23 (£000s)
Repair and maintain homes	9,597	9,725	9,857
Supervision and management	11,733	11,967	11,975
Support services e.g. legal and finance	1,681	1,714	1,749
Provision for Bad debts	514	524	535
Direct Revenue financing	10,000	10,000	13,232
Capital charges	16,622	16,288	16,918
TOTAL	50,147	50,219	54,265

	Budget 2020/21 (£000s)	Budget 2021/22 (£000s)	Budget 2022/23 (£000s)
REVENUE FUNDING FROM:			
Tenant rents	42,180	43,737	45,131
Service charges	770	788	810
Interest received	139	107	66
Housing Finance Grant 2	246	246	246
Water rates commission	401	401	401
Grants / Other	999	1,012	1,024
TOTAL	44,735	46,292	47,678

Surplus/(Deficit in year)	-5,412	-3,928	-6,587
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HRA END OF YEAR POSITION:	Budget 2020/21 (£000s)	Budget 2021/22 (£000s)	Budget 2022/23 (£000s)
Balance brought forward from last year	-20,748	-15,336	-11,408
HRA budgeted surplus (-)/ deficit (+)	5,412	3,928	6,587
BALANCE CARRIED FOWARD	-15,336	-11,408	-4,821

Risk Management

Each year, as part of the HRA business planning process, we identify, assess and prioritise potential risks and consider the likelihood and impact of each. This exercise is carried out by each service delivery area. Once this has been done, we identify ways in which we can reduce or manage the potential risk and impact. These are recorded corporately and monitored regularly.

The greatest risks identified in delivering this plan are:

- Maintaining up to date asset information about our stock;
- Uncertainty of the impact of market conditions with regard to inflation, pricing and availability of workforce, to inform the 30-year cost certainty exercise; and
- The impact of balancing investment in maintaining the existing standard, introducing new measures to support decarbonisation and continuing to deliver our ambitions housing and regeneration development programme.

All risks are monitored by the CHS+ Working Group.

Compliance, Verification and Monitoring

Compliance and Acceptable Fails

Recording compliance and acceptable fails is not a simple collection of condition information for things like kitchens, bathrooms, electrics and so on. It is a combination of occupancy and property condition information. Surveying of homes, collating of information, how we manage our data, and the ability to report 100% accurate information, are all data-hungry activities.

An acceptable fail occurs when an individual component e.g. a kitchen or bathroom, has not been completed for one or more of the following reasons:

- Cost of remedy;
- Timing of remedy;
- Resident's choice; and
- Physical constraint

The details of our acceptable fails and compliance are set out in Appendix D, and our full CHS+ compliance document is set out in Appendix E.

Energy Efficiency

We have had a number of different programmes running to improve the energy efficiency of homes. These programmes have helped save tenants money on their heating costs and improve the SAP rating of our homes. The average SAP across our stock is 65 out of 100.

Independent Verification

We believe that we report compliance accurately in achieving and maintaining the CHS+, and we will continue to do so. We will also back this up with further verification by:

- Demonstrating compliance by ensuring there is a clear separation of duties between CCC staff reporting compliance and those staff responsible for delivering the CHS+;
- Using internal staff in conjunction with external support, where necessary to undertake desktop reviews;
- Commencing a sample programme of stock condition visits every year;
- Asking tenants how they would like to be part of the process of verification;
- Continuing to use a range of methods to assess compliance. Some data is already independently collected, e.g. boiler inspections, EPCs and electrical tests; and
- Providing Home Information packs for all new tenants, informing them of boiler inspections, asbestos advice, Energy Performance Certificates, electrical tests and when any outstanding CHS+ work will be carried out.

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