

Document Pack



Wendy Walters
Prif Weithredwr,
Chief Executive,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

WEDNESDAY, 29 JANUARY 2020

TO: ALL MEMBERS OF THE COMMUNITY SCRUTINY COMMITTEE

I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE **COMMUNITY SCRUTINY COMMITTEE** WHICH WILL BE HELD IN THE **CHAMBER, COUNTY HALL, CARMARTHEN. SA31 1JP. AT 10.00 AM ON WEDNESDAY, 5TH FEBRUARY, 2020** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA.

Wendy Walters

CHIEF EXECUTIVE



PLEASE RECYCLE

| | |
|--------------------------|---------------------------------|
| Democratic Officer: | Kevin J Thomas |
| Telephone (Direct Line): | 01267 224027 |
| E-Mail: | KJThomas@carmarthenshire.gov.uk |
| Ref: | AD016-001 |

COMMUNITY SCRUTINY COMMITTEE

13 MEMBERS

PLAID CYMRU GROUP – 7 MEMBERS

- | | | |
|----|------------|----------------------------|
| 1. | Councillor | Ann Davies |
| 2. | Councillor | Handel Davies |
| 3. | Councillor | Colin Evans |
| 4. | Councillor | Jeanette Gilasbey |
| 5. | Councillor | Betsan Jones |
| 6. | Councillor | Alan Speake |
| 7. | Councillor | Gareth Thomas (Vice-Chair) |

LABOUR GROUP – 3 MEMBERS

- | | | |
|----|------------|------------------|
| 1. | Councillor | Fozia Akhtar |
| 2. | Councillor | Rob Evans |
| 3. | Councillor | Shirley Matthews |

INDEPENDENT GROUP – 3 MEMBERS

- | | | |
|----|------------|-----------------|
| 1. | Councillor | Anthony Davies |
| 2. | Councillor | Irfon Jones |
| 3. | Councillor | Hugh Shepardson |

AGENDA

1. APOLOGIES FOR ABSENCE
2. DECLARATIONS OF PERSONAL INTERESTS INCLUDING ANY PARTY WHIPS ISSUED IN RELATION TO ANY AGENDA ITEM
3. PUBLIC QUESTIONS (NONE RECEIVED)
4. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING RENT SETTING FOR 2020/21 5 - 26
5. THE CARMARTHENSHIRE HOMES STANDARD PLUS (CHS+) BUSINESS PLAN 2020-23 27 - 108
6. FORTHCOMING ITEMS 109 - 110

This page is intentionally left blank

COMMUNITY SCRUTINY COMMITTEE 5TH FEBRUARY 2020

Housing Revenue Account Budget and Housing Rent Setting for 2020/21

To consider and comment on the following issues:

- That as part of the Budget Consultation process, the Scrutiny Committee considers the revenue and capital budgets of Housing Revenue Account (HRA) and rent setting proposals for 2020/21. This will be considered by Executive Board 24/02/2020 and subsequently County Council on 3/03/2020

REASONS:

- To enable the Authority to set its Housing Revenue Account Budget and the Housing Rent levels for 2020/21.
- To formulate views for submission to the Executive Board / Council for consideration.

To be referred to the Executive Board for decision: YES
Executive Board – 24th February 2020
Full Council – 3rd March 2020

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- Cllr David Jenkins

| | | |
|--|---|---|
| <p>Directorate: Corporate Services Name of Director: Chris Moore</p> | <p>Designations: Director of Corporate Services</p> | <p>Tel No's / E Mail Addresses: 01267 224160 CMoore@carmarthenshire.gov.uk</p> |
| <p>Report Author: Andrea Thomas</p> | <p>Group Accountant</p> | <p>01267 228742 AndThomas@carmarthenshire.gov.uk</p> |

EXECUTIVE SUMMARY COMMUNITY SCRUTINY COMMITTEE 5TH FEBRUARY 2020

Housing Revenue Account Budget and Housing Rent Setting for 2020/21

This report has been prepared in conjunction with officers from the Communities Department and brings together the latest proposals for the Revenue and Capital Budgets for the Housing Revenue Account 2020/2023, which will be presented to the Executive Board on 24th February 2020.

The report is presented to the Community Scrutiny Committee as part of the budget consultation process and the Executive Board will consider any views expressed by this Committee when setting the Budget and Housing Rents for 2020/21.

The report has been prepared reflecting the latest proposals contained in the Housing Revenue Account (HRA) Business Plan, which is the primary financial planning tool for delivering the Carmarthenshire Homes Standard *Plus* (CHS+) for the future. The proposed investment within the current business plan delivered the CHS by 2015 (to those homes where tenants agreed to have work undertaken), provides investment to maintain CHS+ and continues investment for our Affordable Housing Commitment.

The report also details how rents will increase for 2020/21:

- Appendix A provides the proposed Capital Programme for 2020/23.
- Appendix B of this report provides the proposed Revenue Account Budget for 2020/23.

The HRA budget for 2020/21 is being set to reflect:

- Social Housing Rent Policy set by Welsh Government (WG)
- Proposals contained in the Carmarthenshire Homes Standard *Plus* (CHS+)
- Affordable Homes Delivery Plan

Part of the agreement to exit the Housing Revenue Account Subsidy system included LAs with retained stock were required to adopt the new Social Housing Rents Policy set by the WG. It developed a coherent and consistent rent policy framework that would apply to all social landlords, reflect local variations in affordability and housing market values, providing for a more equitable distribution of rents for social sector tenants across Wales, while at the same time ensuring the viability of individual social landlords. County Council approved the implementation of the policy on 24/02/15. This policy provided consistency for 5 years but ended in 2018/19. WG provided an interim policy for 2019/20 while they await the results of the Affordable Housing Supply Review. The result of this review was to retain the existing policy for a further 5 years with some additional/amended requirements. The policy will be applied to all our social housing including new build, properties bought from the private sector as well as our existing stock.

Below are the main points detailed in WG letter:-

- An annual rent uplift (total rent envelope) of up to CPI+1%, each year for 5 years from 2020-21 to 2024-25 using the level of CPI from the previous September each year. September 2019 was 1.7%.
- CPI+1% will be the maximum increase allowable in any one year but CPI+1% must not be regarded as an automatic uplift to be applied by social landlords. Landlords decisions on rent should take into account the affordability of rents for tenants as set out below.
- The level of rents for individual tenants can be reduced or frozen or can rise by up to an additional £2 over and above CPI+1%, on condition that total rental income collected by the social landlord increases by no more than CPI+1%. This provision is designed to enable social landlords to restructure rents payable where necessary. However, the freezing or reducing of rents will only apply to local authorities who have the scope to do so within their target rent band and they continue to comply with the social housing rent policy.
- Should CPI fall outside the range of 0% to 3%, the Minister with responsibility for housing will determine the appropriate change to rent levels to be applied for that year only.
- Social landlords should advise the Welsh Government where they have concerns about the impact that rent policy has upon their business plan or financial viability, or on their ability to meet their obligations to tenants and lenders.
- As an intrinsic part of the five year rent policy, social landlords will be expected to set a rent and service charge policy which ensures that social housing remains affordable for current and future tenants. As part of their annual decision on the level of rent uplift/reduction to be applied they should make an assessment of cost efficiencies, value for money and affordability for tenants which should be discussed at the Board/Cabinet/Council.

The letter also refers to shortage of social housing and the need to build homes near carbon zero and decarbonisation of existing stock. WG want LA's to consider the "whole cost of living in a property", looking at not only rent and service charges but energy costs also in order to reduce the financial burden on tenants. In recognition of the greater stability and certainty due to the rent policy WG also want to strengthen joint working with LA's in a wider rental agreement. WG also want LA's to produce annual assessments of affordability, value for money and demonstrate finding efficiencies as part of monitoring compliance.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Chris Moore

Director of Corporate Services

| | | | | | | |
|---|-------------|------------|-------------|------------------------|-----------------------|-----------------|
| Policy, Crime & Disorder and Equalities | Legal | Finance | ICT | Risk Management Issues | Staffing Implications | Physical Assets |
| NONE | NONE | YES | NONE | NONE | NONE | YES |

FINANCE

The report details the HRA proposals to be considered by Executive Board. If the proposals are agreed the budget for the HRA will be set for 2020/21 with an expenditure level of £50.1M. The average rent will increase from £87.41 to £89.77 (2.7% or £2.36).

The proposed Capital Programme will be £34.7M for 2020/21 £35.2M for 2021/22 and £31.4M for 2022/23.

Physical Assets

The capital programme continues the works to maintain the Carmarthenshire Home Standard *Plus* and deliver the Affordable Homes programme as per the 30 year business plan.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Chris Moore

Director of Corporate Services

1. Local Member(s) - Not applicable
2. Community / Town Council – Not applicable
3. Relevant Partners - Not applicable
4. Staff Side Representatives and other Organisations – Not applicable

Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

| Title of Document | File Ref No. | Locations that the papers are available for public inspection |
|-------------------------------|--------------|---|
| | | |
| Social Housing Rents Policy | | Financial Services, County Hall, Carmarthen |
| 30 year Housing Business Plan | | Financial Services , County Hall, Carmarthen |

This page is intentionally left blank

REPORT OF THE DIRECTOR OF CORPORATE SERVICES

COMMUNITY SCRUTINY COMMITTEE

5th FEBRUARY 2020

HOUSING REVENUE ACCOUNT AND HOUSING RENT SETTING 2020/21

- REVENUE AND CAPITAL

| DIRECTOR & DESIGNATION. | DIRECTORATE | TELEPHONE NO. |
|---|---------------------------|----------------------|
| C Moore Director of Corporate Services | Corporate Services | 01267 224120 |
| AUTHOR & DESIGNATION | DIRECTORATE | TELEPHONE NO |
| A Thomas Group Accountant | Corporate Services | 01267 228742 |

1. INTRODUCTION

1.1. This report explains the proposed 2020/21 Housing Revenue Account (HRA) budget for both revenue and capital. It has been prepared in conjunction with officers from the Communities Department. This report is presented to this Community Scrutiny Committee as part of the budget consultation process. The views expressed by this Committee will be fed back to Executive Board for their consideration when they set the 2020/21 HRA budget and Housing Rents.

1.2. The HRA budget for 2020/21 is being set to reflect:

- Welsh Government's Policy for Social Housing Rents (Rent Policy) issued 18/12/2019, incorporating the recommendations of the Independent Affordable Housing Review Panel.
- Proposals contained in the Carmarthenshire Homes Standard *Plus* (CHS+)
- Affordable Homes Delivery Plan

1.3. The HRA budget is prepared to maintain the CHS(+) Business Plan, deliver our affordable homes aspirations and manage and maintain our homes on a daily basis. As a ring fenced account this expenditure is balanced by income primarily generated through rents charged to tenants. Supporting the CHS(+) Business Plan is a 30 years financial model which is submitted to and scrutinised/approved by WG annually (as part of the Major Repairs Allowance application).

Carmarthenshire County Council along with the other 10 local authorities (LAs) in Wales who retained their Housing Stock, exited the Housing Revenue Account Subsidy (HRAS) system on 1/4/15, which allows Local Authorities more flexibility in the management of their stock going forward.

Part of the agreement to exit included LAs with retained stock were required to adopt the new Social Housing Rents Policy set by the Welsh Government (WG). It aimed to develop a coherent and consistent rent policy framework that would apply to all social landlords, reflect local variations in affordability and housing market values, providing for a more equitable distribution of rents for social sector tenants across Wales, while at the same time ensuring the viability of individual social landlords. County Council approved the implementation of the policy on 24/02/15. This policy provided consistency for 4 years from 2015/16 to 2018/19. WG provided an interim policy for 2019/20 while they await the results of the Affordable Housing Supply Review. The result of this review was to retain the existing policy for a further 5 years with some additional/amended requirements. The policy will be applied to all our social housing including new build, properties bought from the private sector as well as our existing stock. Below are the main points detailed in WG letter:-

- An annual rent uplift (total rent envelope) of up to CPI+1%, each year for 5 years from 2020-21 to 2024-25 using the level of CPI from the previous September each year. September 2019 was 1.7%.
- CPI+1% will be the maximum increase allowable in any one year but CPI+1% must not be regarded as an automatic uplift to be applied by social landlords. Landlords decisions on rent should take into account the affordability of rents for tenants as set out below.
- The level of rents for individual tenants can be reduced or frozen or can rise by up to an additional £2 over and above CPI+1%, on condition that total rental income collected by the social landlord increases by no more than CPI+1%. This provision is designed to enable social landlords to restructure rents payable where necessary. However, the freezing or reducing of rents will only apply to local authorities who have the scope to do so within their target rent band and they continue to comply with the social housing rent policy.

- Should CPI fall outside the range of 0% to 3%, the Minister with responsibility for housing will determine the appropriate change to rent levels to be applied for that year only.
- Social landlords should advise the Welsh Government where they have concerns about the impact that rent policy has upon their business plan or financial viability, or on their ability to meet their obligations to tenants and lenders.
- As an intrinsic part of the five year rent policy, social landlords will be expected to set a rent and service charge policy which ensures that social housing remains affordable for current and future tenants. As part of their annual decision on the level of rent uplift/reduction to be applied they should make an assessment of cost efficiencies, value for money and affordability for tenants which should be discussed at the Board/Cabinet/Council.

The letter also refers to shortage of social housing and the need to build homes near carbon zero and decarbonisation of existing stock. WG want LA's to consider the "whole cost of living in a property", looking at not only rent and service charges but energy costs also in order to reduce the financial burden on tenants. In recognition of the greater stability and certainty due to the rent policy WG also want to strengthen joint working with LA's in a wider rental agreement. WG also want LA's to produce annual assessments of affordability, value for money and demonstrate finding efficiencies as part of monitoring compliance.

1.4 Capital investment

A capital investment of £231m has been undertaken to deliver the CHS+ by 2015. This included £117million of unsupported borrowing. This investment was being funded by Major Repairs Allowance received from the WG, capital receipts from the sales of land and dwellings, HRA revenue funding, external grants and borrowing. This ensured the delivery of work programmes to all our tenants homes (with the exception of where the work was declined by tenants). Since achieving the CHS, a further £49M will have been spent on maintaining the standard and £36M on providing additional affordable homes in the HRA by the end of 2019/20.

The (CHS+) Business Plan 2020-23 highlights the approach that will be taken over the next three years and will be presented by the Head of Homes and Safer Communities in this meeting. It includes further investment over the next 3 years of £49million to maintain the CHS+ and £52million for our Affordable Homes programme. This will be supported by an on-going cost certainty exercise to ensure our investment is targeted to maintain the CHS+ and deliver our Affordable Homes targets.

The timing and method of sale of HRA land is being kept under review to ensure that receipts are maximised to support the Business Plan. Land sales are scrutinised on an individual basis, decisions on sale/retention depend on housing demand within that area.

The profile of capital expenditure required to maintain the CHS+ and invest in affordable homes is detailed in appendix A. The plan is extremely sensitive to change and is currently being fully reviewed every 6 months, with ongoing monthly monitoring to identify any potential issues.

1.5 Decarbonisation

WG ministers commissioned a report “Better Homes, Better Wales, Better World”. The report recommended that “Political parties in Wales should make a strategic commitment to national residential decarbonisation and stick to it.”

This included “setting ambitious energy targets for homes to achieve net zero carbon by 2050”

This will have a significant impact on future investment plans.

The CHS+ business plan details our proposed approach to decarbonisation of our HRA stock headlines include :-

- Make Fabric Energy Efficient
- Monitoring, Evaluation, Development, Training, Skills through using research, smart technologies etc.
- Reduce Demand through working with tenants
- Off Grid Solutions – Decarbonise Supply by harnessing the natural environment.

2. BUSINESS PLAN ASSUMPTIONS

2.1. There are many assumptions within the Business Plan, including future rental levels, interest rates, inflation, pay awards etc. Business Plan guidance from the WG (received 2/12/19 for 2020/21) requires submission of a viable plan by 31/03/2020.

Underpinning the CHS(+) Business Plan is the 30 year financial model which has many assumptions including:

- **Rents** The WG Social Housing rents policy allows local authorities within their target rent band to increase rent by CPI only (the County Council is currently marginally within the target rent band). The increase in target rent for 2020/21 has been notified as 2.7%.
- **Major Repairs Allowance (MRA)** is a grant from WG which is provided to support our works in maintaining the standard and is audited annually. This has not been increased for future years, but

has been varied for changing stock numbers. Our MRA is estimated to be £6.1million for 2020/21.

- **Capital Receipts** We have suspended our Right to Buy for tenants (WG has also subsequently suspended RTBs) so there are no planned receipts from sales of houses. The programme of land sales is now reviewed on an individual parcel basis. This strategy allows us to consider what is required for our Affordable Homes ambitions.
- **Void Loss** incurred on dwellings currently set at 2.9% in line with current performance.
- **Central Support Costs** are based on services received by departments, these have been validated accordingly.
- **Stock Numbers** have been updated based on affordable homes delivery plan.
- **Interest on Balances** is estimated to be £139k based on an interest rate of 0.75% (average interest earned).

2.2. Members will be aware as part of the HRAS exit agreement in 2015, Local Authorities were required to agree a Borrowing Cap, which was a requirement put in place by the UK Government. This restricted what a Local Authority could borrow in respect of the HRA, for this Authority the limit was set at £228M. The minister for Housing and Regeneration wrote to LA's 29/10/2018 detailing that the Chancellor of the Exchequer had confirmed that the removal of HRA borrowing caps applied to Wales as well as England. This was a significant change in policy designed to encourage LA's to build at pace and scale and to deliver their affordable homes ambitions. This places a responsibility on LA's to develop Business Plans which are financially sustainable as well as ambitious. This has led to a review of how we fund our capital investment programme to release additional resources in a prudent manner. We are therefore now developing the New Build programme with a greater number of schemes being commissioned and developed by the Council internally, e.g. Glanmor Burry Port and Maespiode, Llandybie.

However, although the borrowing cap has been released, it should be noted that there is a significant responsibility on the County Council to ensure any borrowing for the HRA is sustainable, prudent and affordable within the HRA financial business plan.

As most of the schemes delivering Housing projects have a significant lead in time, there will be an ongoing review of what is needed to maintain CHS+ and deliver our Affordable Housing ambitions, which will utilise the borrowing available as we develop our plans.

3. EXPENDITURE

The expenditure levels in the Business Plan have been set in line with the Business Planning guidance.

Maintenance and Stock Improvement

Revenue repairs and maintenance expenditure is forecast to be £11.3million in 2020/21. This is an increase on the 2019/20 budget (£10.3million) which reflects local building costs, forecast outturn for 2019/20 changes in stock numbers and additional revenue costs relating to void properties.

The capital programme provides resources to:-

- maintain our stock to the CHS+ (including carrying out improvements to previously declined properties)
- deliver our Affordable Homes commitment

Maintain our Stock

For 2020/21 the capital programme to maintain the CHS (+) is £18.4million. This gives an overall spend of £29.7million on stock improvement and maintenance (the total for 2019/20 was £25.7million). This includes increasing capital resources available for works relating to structural works on estates (£1million), roofing works (£0.3million), investment in sheltered schemes (£1.5million), risk reduction measures (£0.35million) and boiler replacements (£0.6million). This will be further informed by stock condition data which will be gathered in 2020/21.

Affordable Housing Commitment

Housing Finance Grant (HFG2) funding for new affordable housing ended in 2019/20. This funding was provided as a revenue source, requiring the authority to borrow the money and WG repaying the capital charges. It effectively supported £4.6million of capital expenditure. We will be receiving a specific grant to support our new build scheme at Gwynfryn totalling £4.7million as part of Innovative Housing Programme. We will also be bidding for any other additional resources available to support our Affordable Homes delivery. WG are yet to confirm the details of additional/alternative funding for delivering more Affordable homes but a working group has been established.

We have set aside £52million over the next three years as part of the capital programme to increase the supply of affordable homes. Within 2020/21 £16million has been identified for the Delivery Plan (including development costs).

The capital programme and funding sources for this programme up to 2022/23 are detailed in Appendix A.

Validation

The proposed Business Plan includes the following validations for 2018/19, which is in line with the proposed budget strategy:

- general payroll costs are +2.75% (average)
- general inflation has been accommodated at +2.1%
- Electricity +5.1%, gas +5.3%, oil +5.2%.
- Increased pension costs from 18% to 18.19%

Capital Financing and Subsidy

The capital financing costs reflect the borrowing requirement inclusive of the exit from HRAS.

Details of the budget for Housing Revenue Account for the period up to 2022/23 is shown in Appendix B.

4. INCOME

4.1. Previously we have applied the WG Social Housing Rent Policy to progress to the mid-point target rent (County Council approved on 24/02/15). This WG policy ended in 2018/19.

A one year policy of maximum of CPI only was issued by WG for 2019/20.

However as outlined in Paragraph 1.3 above, WG have now re-confirmed the original policy with increases in rent being CPI plus 1% for the next 5 years (subject to certain parameters).

Setting at a lower level than CPI + 1% rent increase, will impact on the current proposed Business Plan.

Carmarthenshire's current average rent for 2019/20 is £87.41 per week, which leaves us between the low-end WG target rent level of £86.67 and the mid-point target £91.23. Housing Association rents in Carmarthenshire average £93.52 for 2019/20. In the private sector median rents for 2 bedrooms are £110 and 3 bedrooms are £126 as at October 2019. At the present time there are 2 homes above target rent, 2500 homes below this level with the remainder at target rent.

When setting rents for 2020/21 the WG policy will need to be applied.

4.2. Target Rents for Carmarthenshire

Target rents and forecast rents for 2020/21 are set out overleaf:-

| | Houses and Bungalows (£) | | | | | Flats (£) | | | | Bedsits (£) |
|--|--------------------------|-------|--------|--------|--------|-----------|-------|-------|--------|-------------|
| | 1Bed | 2Bed | 3Bed | 4Bed | 5+Bed | 1Bed | 2Bed | 3Bed | 4+Bed | |
| Target Rent (mid-point) 2020/21 as notified by WG | 84.32 | 93.69 | 103.06 | 112.43 | 121.79 | 76.29 | 84.76 | 93.24 | 101.72 | 67.81 |
| Actual Rent 2020/21 with 2.7% increase | 81.30 | 90.33 | 99.36 | 108.39 | 117.44 | 73.54 | 81.74 | 89.90 | 98.08 | 65.38 |

| WG policy rent band, 2020-21 | | |
|------------------------------|--------------|--------------|
| Low end | Mid point | High end |
| (£ per week) | (£ per week) | (£ per week) |
| 89.67 | 94.39 | 99.11 |

For Carmarthenshire our average target rent for 2020/21 is £94.39 (mid point) with the all Wales average being £98.79. Carmarthenshire's 2019/20 actual rent is the 2nd lowest of eleven stock retaining authorities at £87.41

WG have advised LA's that a 2.7% increase should be the maximum applied in 2020/21. The lowest increase possible (incorporating a £1 progression) while complying with the policy of remaining within the target rent band is 2.43%.

4.3.

Implementing the 2.7% overall increase for Carmarthenshire and implementing rental progression of £1, has the following impact :

For those properties at target rent the increase will be:-

Consumer Price Index(CPI for Sept 2019) @1.7%+0.83% = 2.53%

For those properties where rent is below target rent, the increase can be:

Consumer Price Index (CPI for Sept 2019 @ +1.7%)+0.83% = 2.53%

plus a maximum of £1 progression in order to achieve an average rent increase of 2.7%.

Those rents above target are frozen until such time that they meet the target, there are only 2 of these properties remaining. When a property becomes empty it is placed in the target rent band.

Based on applying the above for 2020/21 at 2.7% rent increase this would produce an average rent of £89.77 (increase of £2.36).

Details of the rent increases on individual households are below :-

| Receive an increase of :- | 2.7% increase |
|---------------------------|---------------|
| No increase | 2 |
| up to £1.00 | 9 |
| £1.00 to £1.99 | 1,101 |
| £2.00 to £2.99 | 5,677 |
| £3.00 + | 2,409 |

| |
|-------|
| 9,200 |
|-------|

Table : No .of Householders affected by average increases.

There are just under 1200 tenants who are now in receipt of universal credit (13% of our tenants). 33% of tenants are on full Housing Benefit (HB), 23% are on partial HB and 31% receive no HB.

The proportion of dwellings below target rents is 27% as a result of the £1 progression implemented last year and the target rent being charged as a result of properties becoming vacant. This was over 85% when we began the harmonisation process.

4.4. Garage Rental Income

The HRA currently receives a net rental income of £125k per annum. This equates to a weekly charge of £9.00 per week. It is proposed that garage rents are maintained at £9.00 per week. Garage bases will similarly remain at £2.25 per week..

4.5. Service and Heating charges

Service charges are calculated in line with the policy adopted in 2011. These charges are made to cover the additional services we provide as a landlord that are not covered within the rent and to ensure that all communal areas are kept in a good condition.

These charges will vary annually as they are based on actual expenditure from the previous financial year. By implementing the Service Charge Policy we are ensuring that tenants who receive additional services pay for them in a fair and transparent way.

4.6. Sewerage Treatment Works

We have 15 pumping stations serving approx. 154 properties, the cost of running and maintaining the stations falls on the HRA. We also have 8 cesspits. It is proposed for 2020/21 that current charges are increased as per our rent increase.

4.7. Commission on Collection of Water Rates

In addition to the rent collection process we act as an agent on behalf of Dwr Cymru/Welsh Water, which generates an income of £400k in the form of commission. The implementation of the HelpU scheme for tenants has reduced this commission receivable by approximately £100k. The HelpU tariff assists tenants with low household income (less than £15,300 per annum) by reducing their water bills by nearly £200 per annum. The value of support also depends on number of residents per dwelling.

4.8. 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. 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.

To date, there has only been a slight increase in rent arrears overall. This is lower than we had been expecting and certainly compares very favourably with the experience of other social housing providers.

The CHS+ Business Plan presents more detail on this, including the actions that are being undertaken to mitigate the impact for Council tenants.

5. BALANCES

5.1. Responsibility for setting adequate level of balances sits with the section 151 officer. In recent years we have carried relatively higher balances to ensure we had the capacity for the funding required for the business plan while implementing the CHS+. With the main work on our stock now complete and a clear direction in respect of our Affordable Housing Strategy it is felt that it is prudent to stabilise these balances as part of the forward plan.

It is felt that in the current challenging and changeable financial climate a prudent and realistic level would be £400-£500 per property (approx. £4M) as we aim to deliver more affordable homes as well as maintain the CHS+. If a rental increase is set at 2.7%, the overall proposed budget will result in a deficit on the Housing Revenue Account of £5.4million for the year, with the balances falling to £4.8m over the three years. It should also be noted in Appendix B that balances are required to support the current strategy of funding our capital expenditure and continue to make our business plan affordable over a 30 year period.

6. PROPOSED RECOMMENDATIONS TO EXECUTIVE BOARD

- **To increase average housing rent as per WG Social Housing Rents Policy.**
 - Properties at target rents will increase by 2.53% and
 - Properties where rent is below target rent, rent will increase by 2.53% plus a maximum progression of £1 per week
 - Those rents above target are frozen until such time that they meet the target.
 - This will produce an increase on the average housing rent of 2.7% (CPI +1%) or £2.36

- This will produce a sustainable Business Plan, maintain CHS+, resource our Affordable Homes programme and is supported by DCHS Steering Group.
- To maintain garage rents at £9.00 per week and garage bases at £2.25 per week.
- To implement maximum progression of £1, for rents below target, until target rents are achieved.
- To apply the service charge policy to ensure tenants who receive the benefit from specific services pay for those services
- To increase charges for using our sewerage treatment works in line with rent increase.

7. RECOMMENDATION

That as part of the budget consultation process, Community Scrutiny Committee consider and comment on the Revenue and Capital Budget of the Housing Revenue Account and rent setting proposals 2020/21. This will be considered by Executive Board on 24th February 2020 and subsequently County Council.

Appendix A

Department for Communities

Homes and Safer Communities

HRA - Capital Programme Budget 2020/21 - 2022/23

| 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 |
| Works to deliver decarbonisation | 1,671 | 1,458 | 1,425 |
| 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 |
| 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 | - 13,232 |
| External Borrowing | - 14,760 | - 18,189 | - 7,033 |
| | - 34,680 | - 35,209 | - 31,385 |

Department for Communities
Homes and Safer Communities
Housing Revenue Account 2020/21 - 2022/23
Appendix B

| 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 |
| REVENUE FUNDING FROM: | Budget 2020/21 (£000s) | Budget 2021/22 (£000s) | Budget 2022/23 (£000s) |
| 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 |
|----------------------------------|----------------|----------------|----------------|

| 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 Forward | - 15,336 | - 11,408 | - 4,821 |

This page is intentionally left blank

COMMUNITY SCRUTINY COMMITTEE

DATE: 5TH FEBRUARY 2020

SUBJECT:
THE CARMARTHENSHIRE HOMES STANDARD PLUS (CHS+)
Business Plan 2020-23

Purpose:

- To explain the vision and detail of the Carmarthenshire Homes Standard Plus over the next three years, and what it means for tenants;
- To set out our intention 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;
- To confirm the financial profile, based on current assumptions, for the delivery of the CHS+ over the next three years; and
- To produce a business plan for the annual application to Welsh Government for Major Repairs Allowance (MRA) for 2020/21, equating to £6.1m.

To consider and comment on the following issues:

1. To confirm the vision of the CHS+ and the financial and delivery programme over the next three years.
2. To confirm the submission of the 2020/2023 Business Plan to Welsh Government.
3. To note our intention 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.

Reasons:

- To continue our CHS+ vision to deliver what really matters to tenants;
- To continue to support tenants by maintaining the standard and accelerate how we approach the decarbonisation agenda. This will allow the further evolution of the CHS+ and what it will look like to be fit for the future. An overall investment of £49m is planned over the next three years;
- To build on our successful Affordable Homes Plan to provide more good quality low-cost homes. The investment, already confirmed, will be targeted at those households most in need, which over the three years of this plan will be nearly £52m;
- To link our housing investment programme with wider regeneration initiatives with a real focus on developments in the Tyisha ward, the Wellness Village, Town Centres and key rural towns;
- To make members' aware that the delivery of the Plan is dependent on an average rent increase of 2.7% for 2020/21; and
- To enable submission to the WG to access £6.1m of MRA for 2020/21.
- To formulate views for submission to the Executive Board/Council for consideration.

| | |
|---|-------------------------------------|
| To be referred to the Executive Board/Council for decision: | YES |
| Executive Board Decision Required: | Yes- 24 th February 2020 |
| Council Decision Required: | Yes- 3 rd March 2020 |

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:-

Cllr. Linda Evans (Housing Portfolio Holder)
Cllr Hazel Evans (Environment Portfolio Holder)
Cllr David Jenkins (Resources Portfolio Holder)

| | | |
|--|--------------------------------------|--|
| Directorate: Communities | Designations: | Tel Nos./ E Mail Addresses: |
| Name of Head of Service: Jonathan Morgan | Head of Homes and Safer Communities | JMorgan@carmarthenshire.gov.uk (01267) 227285 |
| Report Author: Angie Bowen | Acting Investment and Income Manager | AnBowen@carmarthenshire.gov.uk (01554) 899292 |

EXECUTIVE SUMMARY
COMMUNITY SCRUTINY COMMITTEE
DATE: 5TH FEBRUARY 2020

SUBJECT:
THE CARMARTHENSHIRE HOMES STANDARD *PLUS* (CHS+)
Business Plan 2020-23

What is the purpose of the plan?

- To explain the vision and detail of the Carmarthenshire Homes Standard Plus over the next three years, and what it means for tenants.
- To confirm the financial profile, based on current assumptions, for the delivery of the CHS+ over the next three years.
- To produce a business plan for the annual application to Welsh Government for Major Repairs Allowance (MRA) for 2020/21, equating to £6.1m.

What is the context?

Since 2006, we have been working to deliver the published work programmes to our tenants' homes. We called this the CHS+ and achieved this to homes where tenants agreed to have the work done during 2015. We fully acknowledge, however, that this is not the end of the journey and want to do more. Most importantly, however, we want to during 2020-21 evolve our CHS+ standard 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. 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”

Our commitment to CHS+ remains firmly on track, building on what has already been achieved and trying to be as ambitious as we can. This plan sets out how we will do this, confirming the financial and delivery programme over the next three years.

We continue to challenge and review the stock information we hold and how it is collated. The importance we place on our strategic asset management arrangements enables us to provide the foundation for our investment plans. It also confirms the future expenditure needed to maintain the standard, and what money will be available for our affordable homes delivery programme. Nearly £49m has been set aside to maintain the CHS+ for existing tenants over the next three years.

Additionally, through careful programme management and taking opportunities, we will be able

to spend nearly £52m over the next three years on building more council homes. This programme will align with our wider housing investment programme linking in with regeneration initiatives. This will enable a real focus on the proposed developments in the Tyisha ward, the Wellness Village, Town Centres and key rural towns.

The plan provides 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 plan also highlights the importance of supporting tenants and residents in everything we do, and the three key themes that have been identified in terms of future investment. These are:

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. We believe we should give our tenants the opportunity to influence decisions about their homes, the area they live in and ensure the services they receive are value for money.

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 was collected online (513), and 82 surveys were completed in Welsh (4%). The headline results were:

| 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% |

Actions will be developed to further improve satisfaction rates.

THEME 2- Investing in our 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. 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;

¹ Welsh Government 2019

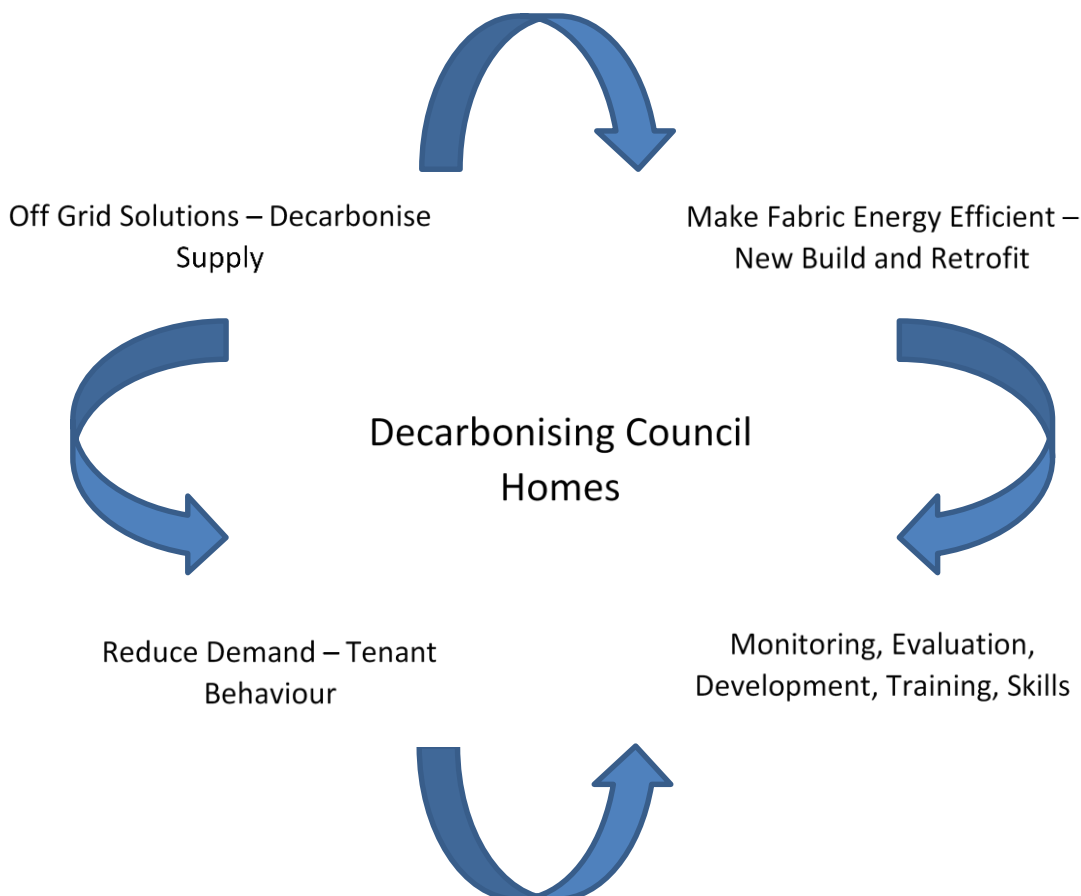
- Tackle fuel poverty; and
- Create jobs and training opportunities in some of our poorest communities.

We intend to engage with our existing and future tenants on our Decarbonising Council Homes plans and ensure they become fully involved. We want to maximise the impact of the Swansea Bay City Region Deal 'Delivering Homes as Power Stations' project by developing a model that could contribute to reducing CO2 emissions, enable affordable warmth, improve health outcomes and reduce the burden on social care and healthcare whilst developing a local supply chain.

We will work in partnership to develop and deliver the Decarbonising Council Homes Model which will seek to:

- Make the fabric of our existing and new homes energy efficient;
- Enable monitoring, evaluation, development, providing training and skills;
- Reduce demand by working with tenants to understand and change behaviour; and
- Harness off grid solutions utilising our natural environment such as wind and water.

Carmarthenshire's Decarbonising Council Homes' model:



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. 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 also committing to planting a minimum of 1,000 new trees to offset our carbon footprint of building 1,000 new homes.***

This plan confirms work that will be undertaken to maintain the standard and what our key principles are to support our future approach to managing the homes and gardens, land, garage areas and the environment. Over £49m will be invested to maintain the CHS+ for existing tenants over the next three years.

We will:

- Make sure our stock information is as good as it can be, and fill in any existing gaps, in order that we know where we need to maintain and improve the CHS+;
- Continue to identify homes where tenants have refused part or all of the intended CHS+ works, and agree with them when works are to be programmed;
- Continue to review and update our annual work programmes based on evidence and need, only replacing components nearer to the time of failing and not time;
- Install low carbon technologies on a small number of our homes, and analyse the results in terms of costs, benefits to tenants and ease of use. This will enable us to better understand the potential for helping tenants to reduce their energy bills, improve the comfort of their homes and reduce carbon emissions to levels set by Welsh Government;
- Continue to make void properties available for letting as quickly as possible, minimising rent loss and maximising the housing available, whilst striving to meet CHS+;
- Continue to provide a customer focussed responsive repairs service, which achieves high levels of performance, customer satisfaction and good value for money;
- Continue our approach to reviewing fire risk assessments for our purpose-built blocks of flats including sheltered schemes;
- Commence a programme of radon testing in all our properties located in areas where there is a higher probability of radon levels and act to reduce radon levels to as low as possible; and

- Continue to provide homes better suited to tenants needs by:
 - investing in adapting homes;
 - understanding the future investment needs for our sheltered housing stock; and
 - completing option appraisals on sites that may need changing/ converting into homes that can better meet housing need.
- 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;
- Engage with potential partners to develop a plan for new housing in the Tyisha ward, Llanelli which will result in significant tenure change. Undertaking focused activity to improve the street scene and respond to environmental issues;

THEME 3 - Providing more homes.

Providing more affordable homes has been a key a strategic priority for the Council for a number of years. 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.

The first four years have been very successful with 985 additional affordable homes delivered, almost reaching our original target of 1000 homes by 2021, a year early. This includes the completion of our first Council new build development in Pembrey and the completion of phase 1 of our second development in Bynea.

In addition to this, we also published our first ambitious 10-year Council new build programme in September 2019. This programme will deliver over 900 new Council homes with an investment programme of nearly £150m. Our programme for the next 3 years, creating over 370 homes, is shown on the map over:



| 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 |

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, plans are also already underway to align our new programme more closely with regeneration initiatives.

This approach will continue to provide huge opportunities for investment and regeneration including shaping the construction industry and creating local jobs and training opportunities. The will also 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.

This programme will further support the current earmarked developments of the 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.

Conclusion

Through careful financial planning, this Business 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.

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%.

Finally, we set out what the key assumptions are to make sure the Business Plan remains viable, what we will spend the money on and how it is funded.

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. This can only be achieved by continuing to be pro-active in delivery and taking opportunities when they arise.

Recommendations:

1. To confirm the vision of the CHS+ and the financial and delivery programme over the next three years.
2. To confirm the submission of the Plan to Welsh Government for the 2020/21 MRA Application.
3. To note our intention 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.

DETAILED REPORT ATTACHED?

YES – Carmarthenshire Homes Standard PLUS (CHS+)
Business Plan 2020/2023

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Jonathan Morgan

Head of Homes and Safer Communities

| Policy, Crime & Disorder and Equalities | Legal | Finance | ICT | Risk Management Issues | Staffing Implications | Physical Assets |
|---|------------|------------|-------------|------------------------|-----------------------|-----------------|
| YES | YES | YES | NONE | YES | NONE | YES |

1. Policy, Crime and Disorder and Equalities

The CHS+ will act as the framework for policy development across housing services delivery and will contribute to wider agendas and programmes.

2. Legal

The Housing (Wales) Act 2014 sets out our statutory duty to maintain the Welsh Housing Quality Standard (our version is the Carmarthenshire Homes Standard *PLUS*) in our existing stock.

3. Finance

Delivering the CHS+ will continue to present significant financial challenges and risks to the County Council.

We have spent over £286m to achieve and maintain the standard and build new homes. Nearly £138m of this spend has been funded through a prudential borrowing programme.

Through careful management, the financial model remains viable to not only maintain the CHS+ and evolve the current standard but also deliver more affordable homes. A summary of costs over the next three years is included in the plan.

A general rent increase of 2.7% for 2020/21 is also assumed in the plan.

4. Risk Management

The CHS+ programme is identified as moderate risk in the Council's Risk Management Plan. A risk management plan has been developed to mitigate and review all risks associated with the programme.

Failure to deliver a viable Business Plan to Welsh Government by the end of March 2020 will mean the MRA of £6.1m for 2020/21 being withdrawn.

5. Physical Assets

The CHS+ will involve the management, maintenance and improvement of the Council's housing stock. This will be carried out within the context of our asset management principles which are defined within the plan. Any decision to acquire, convert or dispose of homes, land and/or garage areas will be considered in line with these principles.

This plan will also result in an increase in the Council housing stock through the new build and purchasing homes in the private sector.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jonathan Morgan Head of Homes and Safer Communities

1. Local Member(s)

n/a

2. Community / Town Council

n/a

3. Relevant Partners

Engagement with stakeholders and partners has taken place in order to develop this Plan, including stakeholder events, 1-2-1 interviews and various meetings.

4. Staff Side Representatives and other Organisations

Engagement with tenants, has taken place in order to develop this Plan, including stakeholder events, 1-2-1 interviews, visits and events in communities, and various meetings.

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

| Title of document | File Ref No. | Location that the file is available for public inspection |
|---|-----------------------|---|
| Carmarthenshire Homes Standard PLUS (CHS+) Business Plan 2020/2023 | Housing General Files | Council website- Democratic Services |

This page is intentionally left blank

Carmarthenshire Homes Standard Plus (CHS+)

Business Plan

February 2020



carmarthenshire.gov.uk/housing

Cyngor **Sir Gâr**
Carmarthenshire
County Council



Contents

| | |
|---|----|
| Foreword by our Executive Board Members | 3 |
| Introduction | 5 |
| 2019/2020 Achievements | 6 |
| Context..... | 8 |
| Theme 1 - Supporting Tenants and Residents | 12 |
| Theme 2 – Investing in Homes’ and the Environment | 15 |
| Theme 3 – Providing more homes..... | 25 |
| Community Benefits and Procurement | 29 |
| Funding and Risk Management | 30 |
| Compliance, Verification and Monitoring..... | 34 |

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 |
|--|--|--|

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.

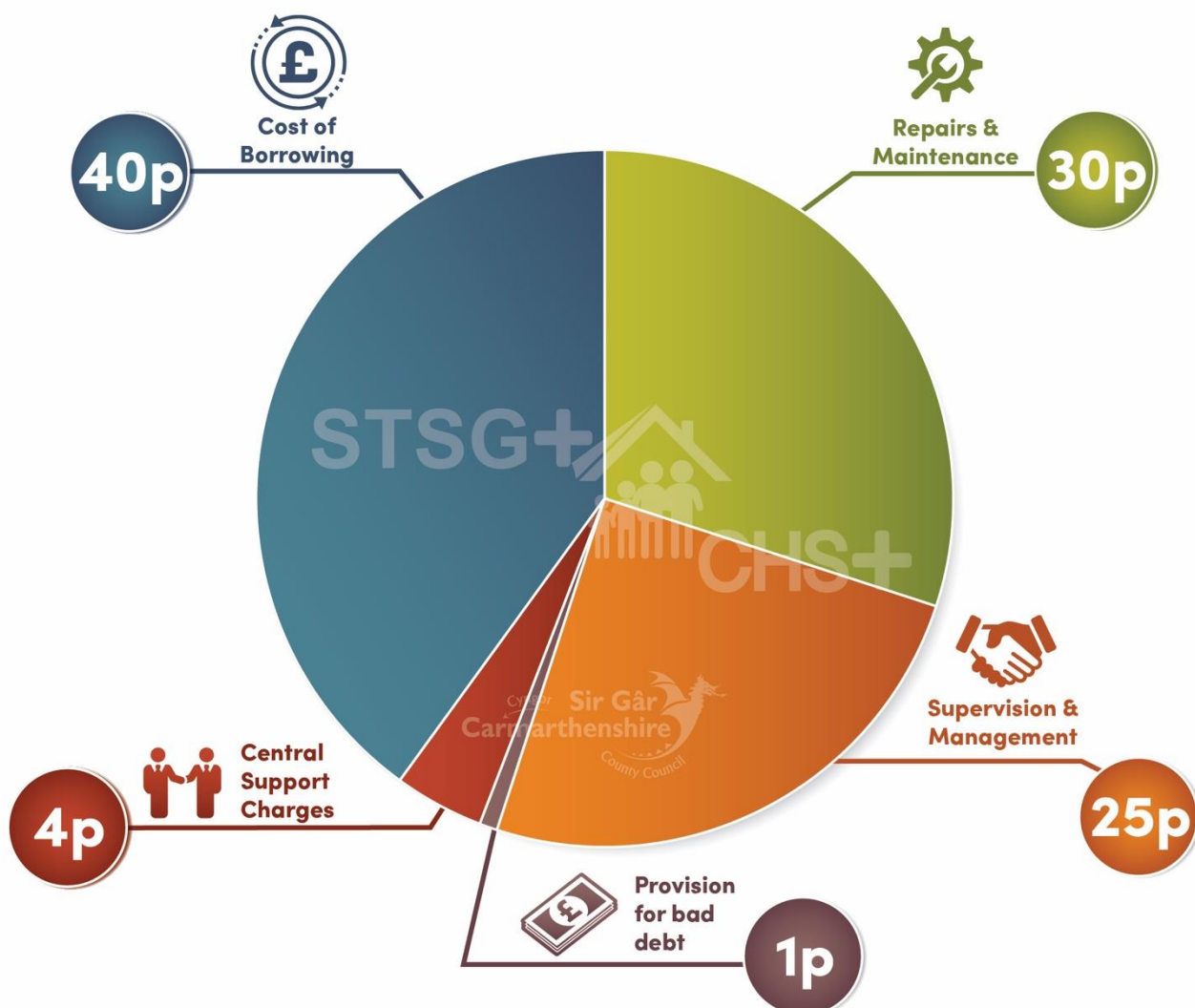
The importance of strategic asset management in providing the foundation for our investment plans, as well as the central role of supporting tenants and residents in everything we do, is also highlighted. Leading on from this, we will cover three key themes that have been identified in terms of future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

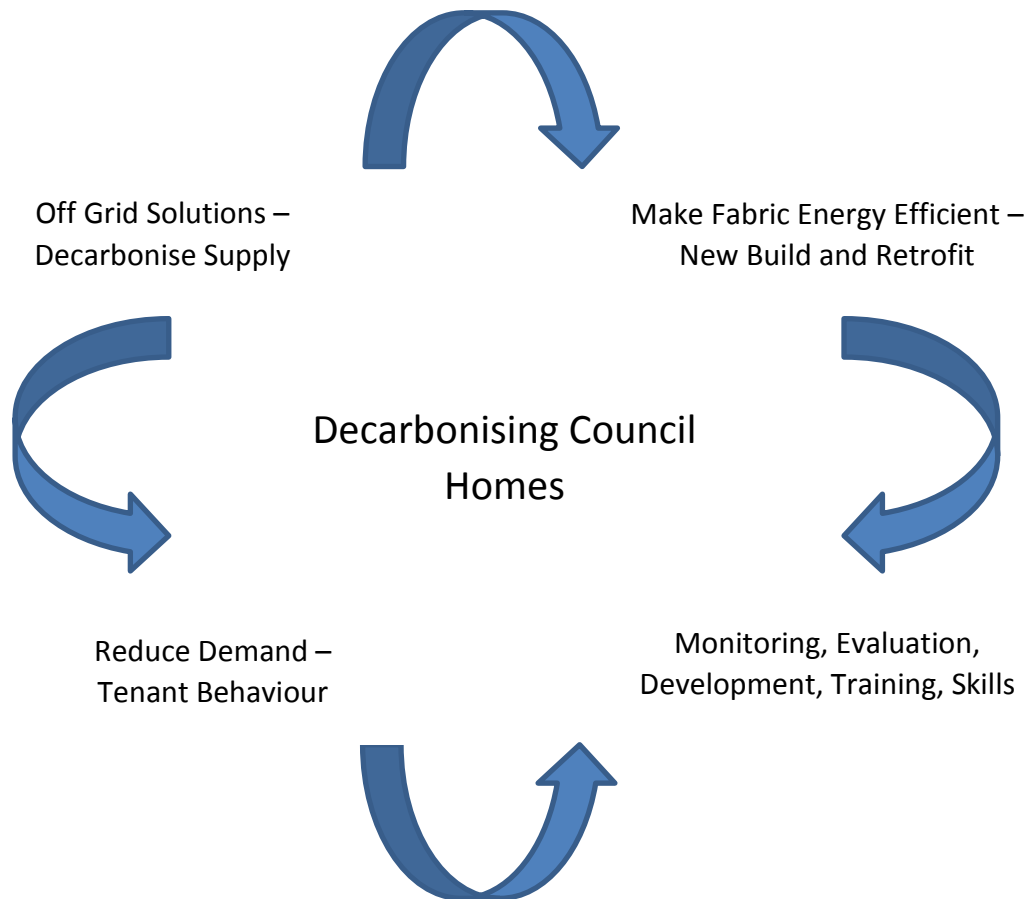
Homes as Power Stations – Decarbonising Council Homes

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.

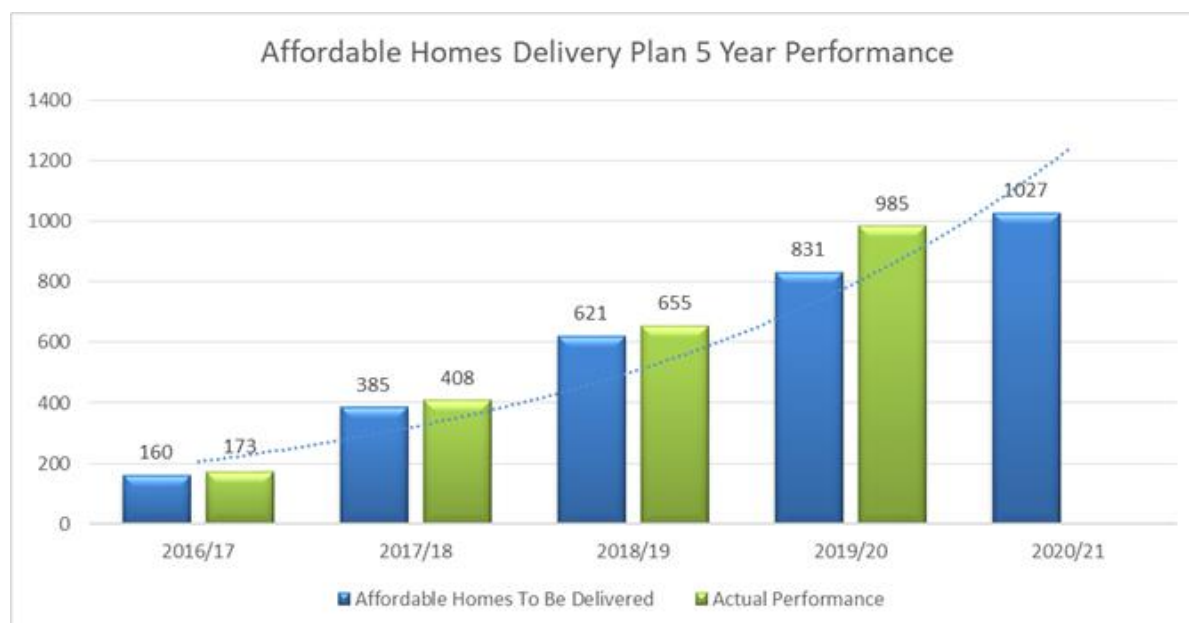
Our commitment to increasing the supply of affordable housing will ensure that we deliver the greatest increase in the number of Council homes in the county since the 1970's and return our housing stock levels to those last seen in the 1990's.

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?

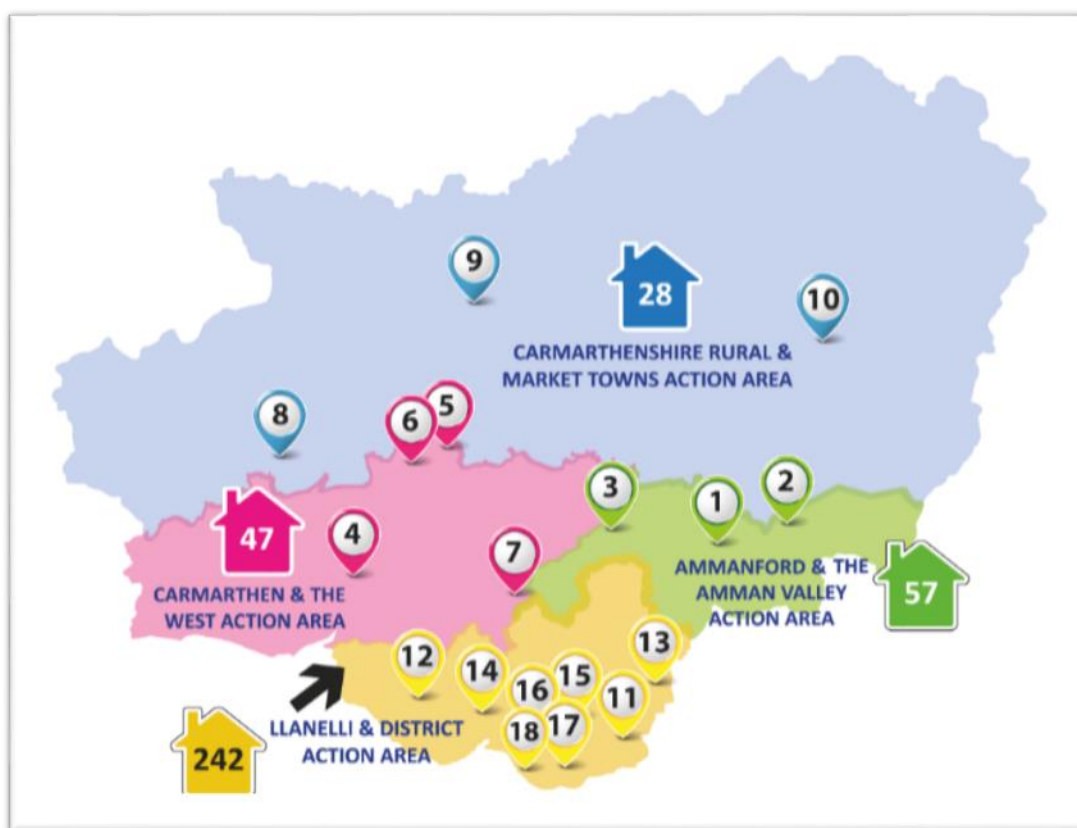
During the first three years of the programme over 300 new Council homes will be built with a total investment exceeding £53m. This investment is currently made up of HRA capital funding and external grant funding. How the programme is funded may change if more grant funding becomes available from Welsh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

| | | |
|--|--|---------------|
| | | <i>Croeso</i> |
|--|--|---------------|

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 ambitious 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.e. the amount it costs to borrow money*Cost of existing and
new debt:
2020/21: 4.19%
And future yearsCost of exiting
HRAS:

Average of 4.57%**Provision for Bad debt i.e. debt that we
will be unable to recover**2020/21: £514k
2021/22: £524k
2022/23: £535k***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.

| 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 |

| 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 |

| | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 |
|--|---------------------------|---------------------------|---------------------------|
| REVENUE FUNDING FROM: | (£000s) | (£000s) | (£000s) |
| 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 |
| | | | |
| HRA END OF YEAR POSITION: | Budget 2020/21 | Budget 2021/22 | Budget 2022/23 |
| | (£000s) | (£000s) | (£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.

THIS PAGE IS LEFT
INTENTIONALLY
BLANK

Carmarthenshire Homes Standard Plus (CHS+)

Business Plan - Appendices A-D

February 2020



Contents

Appendix A: Well-being Priorities & Governance Structure..... 2

Appendix B: Stock, Tenant and Housing Choice Register Profile..... 7

Appendix C: How Happy Tenants are with the Services we Provide..... 10

Appendix D: Acceptable Fails..... 12

DRAFT

Appendix A: *Well-being Priorities & Governance Structure*

We are committed to delivering the CHS+ in a sustainable way as outlined in the Well-being Act. We do this by:



Looking at the long term so that we do not compromise the ability of future generations to meet their own needs

We know from the recent STAR survey how important and valued our neighbourhoods are to tenants' lives. Examples of this are:

1. We will develop and deliver a three-year estates improvement programme to improve the environment. We will look at ways to improve the way we tackle anti-social behaviour through robust partnership arrangements, and preventative work on our estates.
2. Demand for our older person's accommodation remains high but we need to ensure that the right type of support is in the right schemes. During 2019/20 we started a pilot programme of improving our accommodation for older people through consultations with tenants. As part of our programme we will continue to challenge whether schemes will meet the expectations of future residents over the next 10 to 20 years. Once our vision for older person's accommodation has been agreed by Council, we will then produce a workstream plan for older person (HRA) accommodation. This will continue with existing work on improvements to our older person schemes, updating working practices, updating wi-fi provisions and ensuring tenants homes evolving with them during the lifetime of the tenancy.
3. The Business Plan contributes to this by planning for the next 3 years and also over the longer term of 30 years. We do this by analysing our asset data and market conditions to enable us to maintain our existing stock and plan our affordable housing delivery.



Understanding the root causes of the issues to prevent them reoccurring

We recognise that taking prevention action is key to the success of delivering CHS+ Business Plan. Examples of this are:

1. We know that maintaining our estates, through grounds maintenance, minor repairs to fences and keeping our communal areas clean and tidy are important to our tenants. Looking forward we think it is important that we have responsive team that will tackle estate environmental issues quickly and in a proactive way. We will be developing measures to improve estate inspections and overall neighbourhood appearance.
2. The continuation with Home checker will ensure we adopt a preventative approach in supporting our tenants by giving advice in looking after their homes, Universal Credit, and household budget management.



Taking an integrated approach so that we look at all well-being goals and objectives of other services and partners

We believe by having a joined-up approach we can achieve much more for our tenants. Examples of this are:

1. Using the check and challenge approach to develop and implement any new projects.
2. Actively work with the Regional Partnership Board to deliver on the transition funded projects jointly with Social Care and Health.
3. Embedding Making Every Contact Count (MECC) into the roles of all home visiting staff and ensure that community staff are aware of partnership messages and processes for referral.
4. Upgrading our older person schemes to ensure they are compatible with assistive technology and wi-fi coverage.
5. Delivering adaptations to meet the needs of tenants and re-housing tenants through the adapted home register to more suitable accommodation.



Collaboration - Working with others in a collaborative way to find shared sustainable solutions

We believe that working with others and strengthening our existing partnerships and relationships is essential in the delivery of our services. Examples of this are:

1. Working with Delta Wellbeing to ensure tenants are receiving a service that meets their assessed needs. This involves transferring lifelines to Delta Wellbeing which will give those tenants a person-centred service which can adapt to their needs in later years.
2. Encouraging shared responsibility to support tenant's wellbeing and reduce social isolation in schemes.
3. Tenant led collaboration to improve quality of their homes and to define the future standard and what it means.
4. The Business Plan is delivered in a partnership approach between a range of Council Services and external partners. It sets out our ambition to work on a local, regional and national scale to improve services and deliver real projects that have a significant impact.



Involving a diversity of population in decisions that affect them

Our vision for tenant involvement published early this year aims to take forward better engagement with tenants but also to involvement is strategic issues. To do this we will:

- Give tenants a say through single-issue meetings, digital participation and challenge panel
- Using Planning for Real to involving tenants in shaping their communities
- Involve current tenants in our schemes to shape the future standards of their home
- Community events – to engage with tenants
- Using community events to understand satisfaction of the service
- Set up online tenant's forum so tenants can give their views on specific topics
- Develop tenant are on web page (linked to My Account encourage channel shift (how) make contact relevant and current

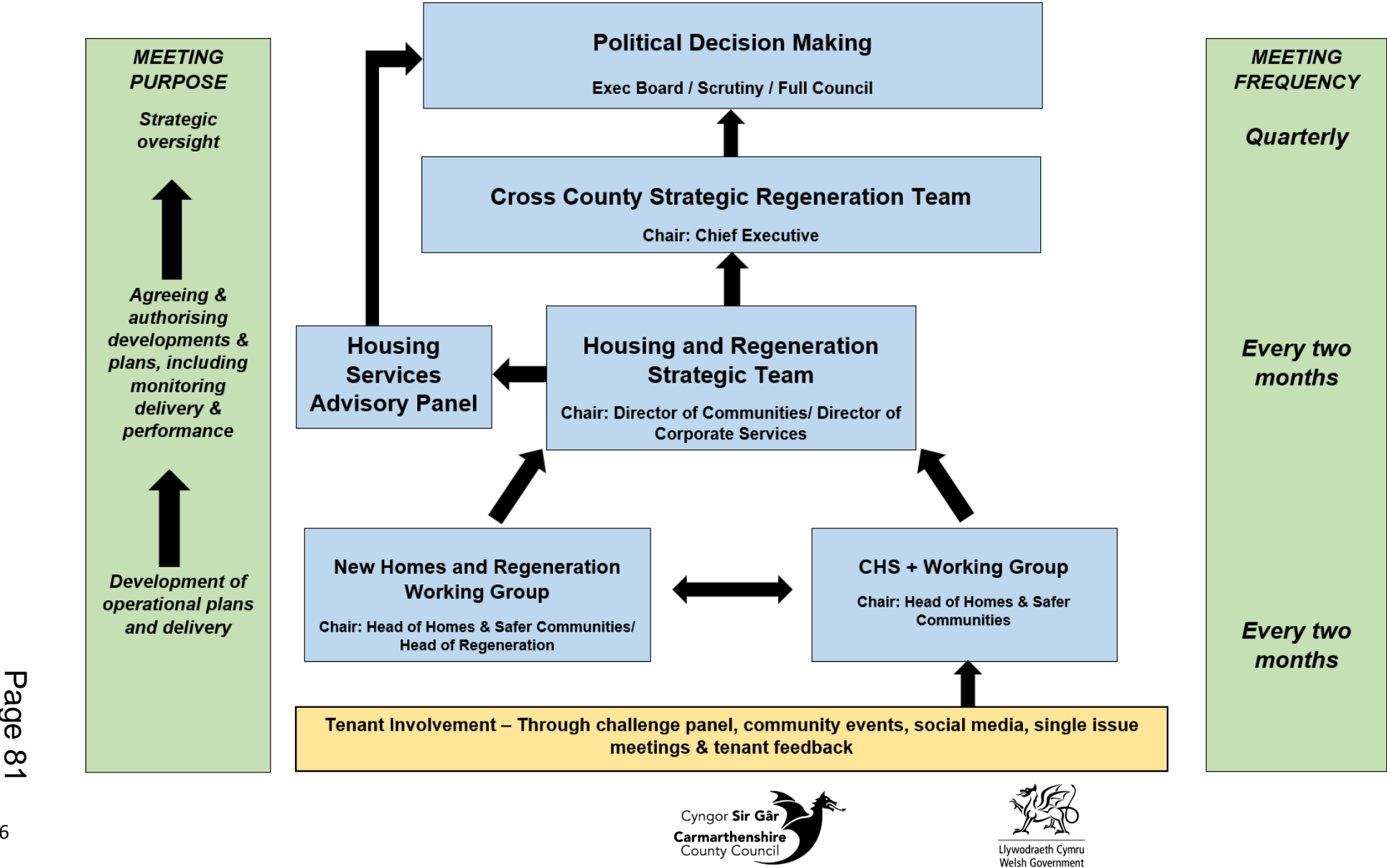
Tenant involvement in the delivery of the Business Plan is an overarching principle. We have set out our plans to produce a tenant engagement strategy and widen our support and advice services for both preventative services and to mitigate the impact of Welfare Reform. Tenants will continue to contribute to the development of both the CHS+ and the Environmental Improvement Programme.

The CHS+ Business Plan contributes to the seven Well-being goals under the sustainable development principles in the following way:

| | |
|--|---|
| <p>A more prosperous Wales</p> | <p>We will focus on:</p> <ul style="list-style-type: none"> • Ensuring long-term economic and social benefits for Carmarthenshire through the Swansea Bay City Region and future European and external funding avenues. |
| <p>1</p> | |
| <p>A resilient Wales</p> | <p>We are committed to:</p> <ul style="list-style-type: none"> • Contributing to the social, economic and environmental well-being of the wider community; |
| <p>2</p> | |
| <p>A healthier Wales</p> | <ul style="list-style-type: none"> • 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. <p>We will focus on:</p> <ul style="list-style-type: none"> • Increasing the availability of rented and affordable homes to support the needs of local people by building new homes, bringing empty homes back into use and ensuring an allocation of affordable homes on new developments; • Mitigating the local impacts of welfare reform by supporting affected residents through the changes; • Providing homes better suited to tenants needs by investing in adapting homes and understanding the future investment needs for our sheltered housing stock. |
| <p>3</p> | |
| <p>A more equal Wales</p> | <p>We will focus on:</p> <ul style="list-style-type: none"> • Reducing anti-social behaviour by working in partnership with other agencies and communities to tackle local problems. |
| <p>4</p> | |
| <p>A Wales of cohesive communities</p> | <ul style="list-style-type: none"> • We want to get better by engaging as widely as possible and maximising opportunities to help build stronger communities. <p>We believe we should:</p> <ul style="list-style-type: none"> • 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: - |
| <p>5</p> | |
| <p>A Wales of vibrant culture and thriving Welsh language</p> | <p><i>"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".</i></p> <p>We will focus on what our tenants are telling us:</p> <ul style="list-style-type: none"> • During the summer months we undertook a tenant satisfaction survey. In total, 2,087 tenants took part in the survey. This represented a 29% response rate overall. 82 surveys were completed in Welsh (4%). • We will carry out an in-depth analyse of results to get a better understanding of the differences in satisfaction rates by age, by ward and property type; and revamp our approach to the way we listen and act on tenant's views. |
| <p>A globally responsible Wales</p> | <p>We will ensure that:</p> <ul style="list-style-type: none"> • Our new build activities and retrofits of renewable energy technology to our tenants' homes are cost effective and meet our ambitions and obligations related to climate emergency (in particular its commitment to becoming a net zero carbon local authority by 2030) |
| <p>7</p> | <ul style="list-style-type: none"> • We meet our ambitions to save tenants money on their energy costs, support the vulnerable and stimulate a sustainable local economy. |

Governance Structure

All actions in this Plan will be monitored on a bi-monthly basis by the CHS+ Steering Group. This group provides strategic direction and corporate leadership to ensure appropriate progression on the initiatives included.

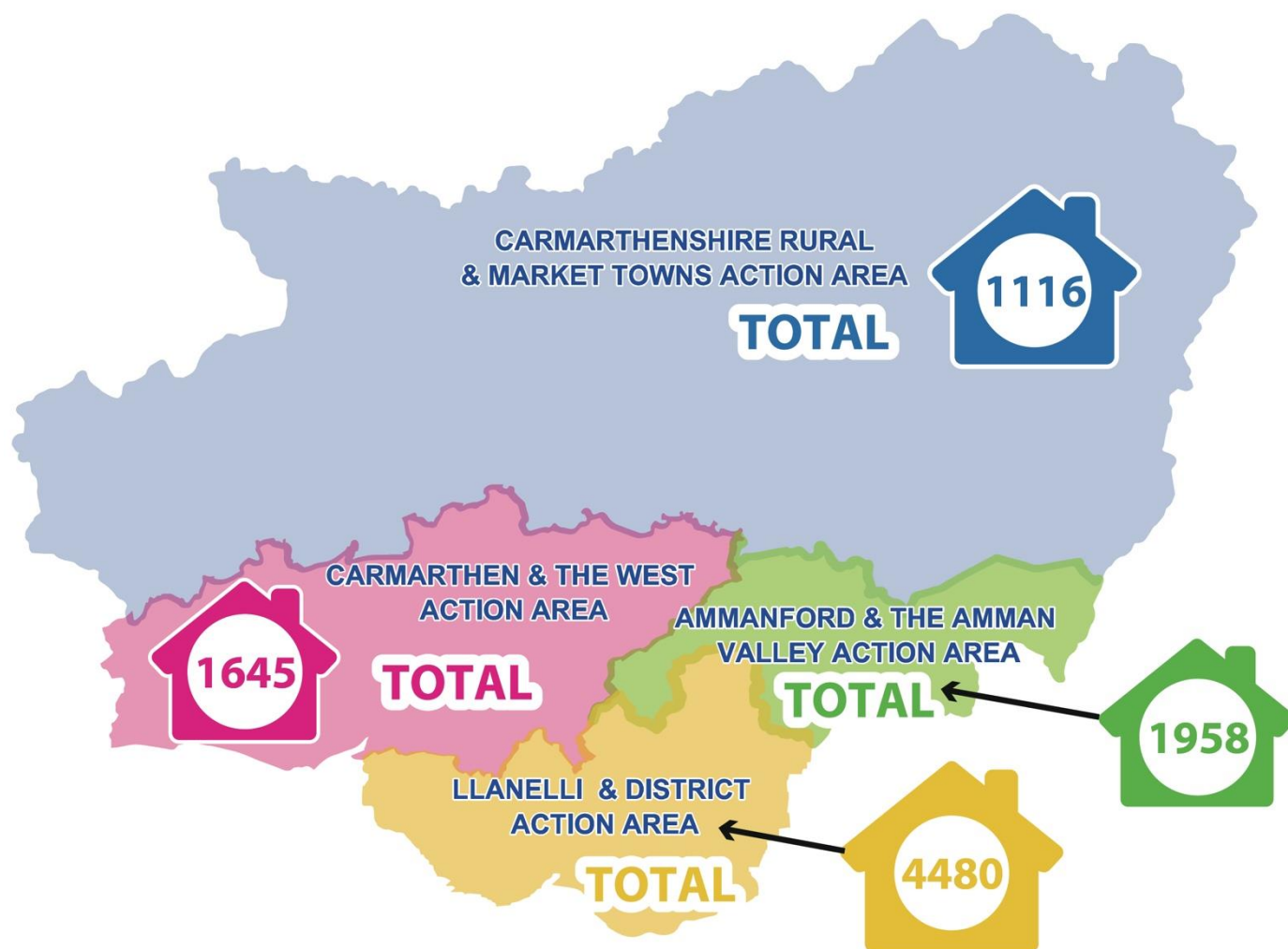


Appendix B: Stock, Tenant and Housing Choice Register Profile

Stock Make Up

Carmarthenshire County Council's HRA stock (as set out below) comprises 9,199 homes, including 519 sheltered homes, and an additional 220 leasehold homes.

The housing stock comprises 5,036 houses and 2,183 bungalows, with the remainder made up of 1,980 flats (including sheltered), bedsits and maisonettes. The majority of the stock is 2- and 3-bedroom homes.

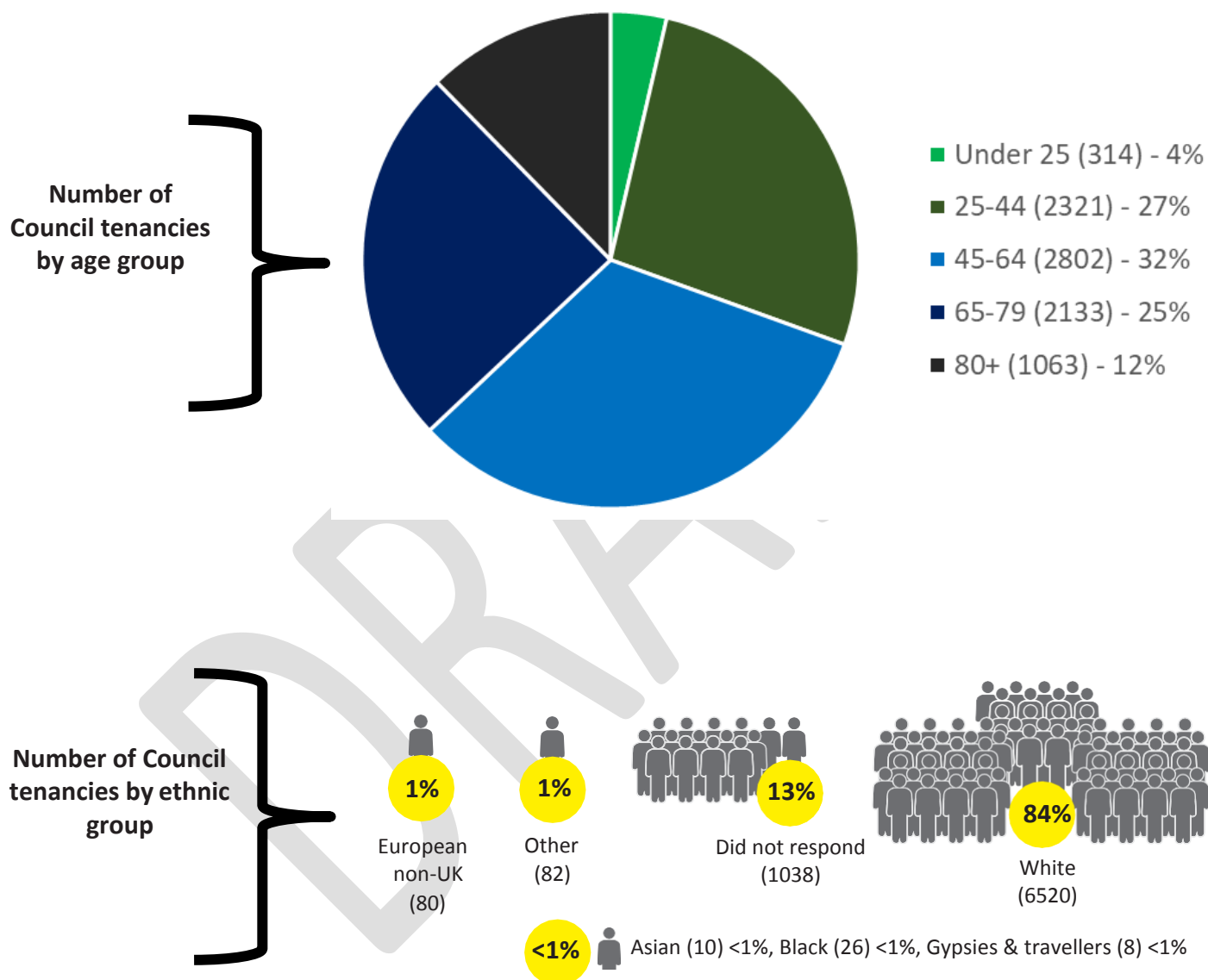


| Property Type | Carmarthenshire Rural & MKT Town | Carmarthen & The West | Ammanford & the Amman Valley | Llanelli & District |
|-----------------------|----------------------------------|-----------------------|------------------------------|---------------------|
| Bedsit | 0 | 19 | 0 | 3 |
| Bungalow | 540 | 497 | 502 | 644 |
| Flats (Inc Sheltered) | 182 | 330 | 509 | 897 |
| House | 394 | 781 | 946 | 2915 |
| Maisonette | 0 | 18 | 1 | 21 |

Tenant Profile

We know that 12% of our lead tenants are aged 80 or over and a further 25% are aged 65 to 80. As a result, 37% of our lead tenants are 65 or above. Only 4% of our lead tenants are under 25, the remaining 59% are aged 25 to 65.

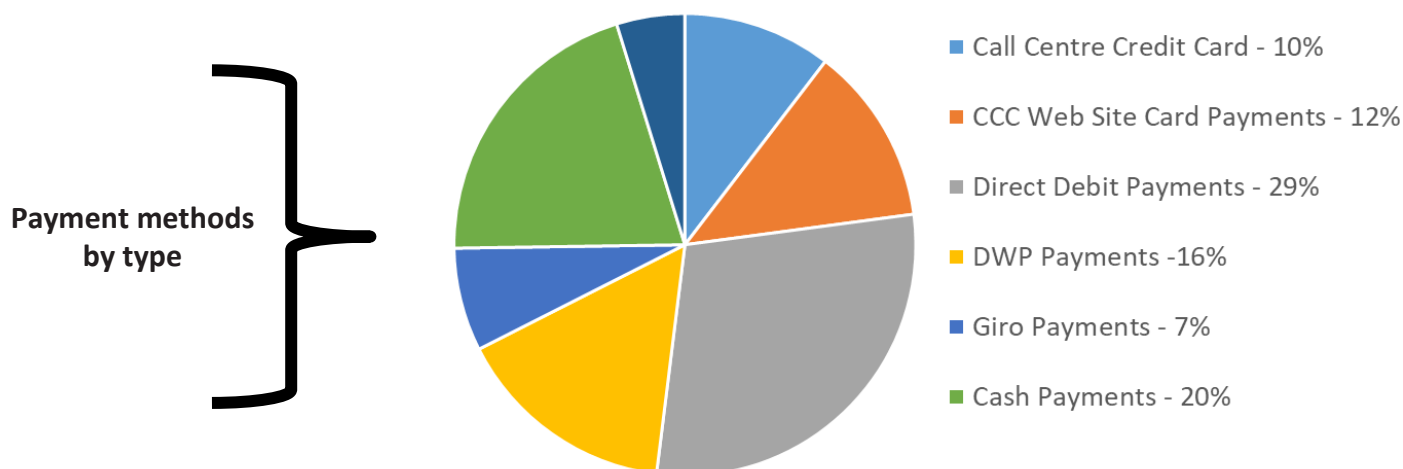
We know that 84% of our lead tenants are white British. A further 13% did not provide information about their ethnic group.



Universal Credit Tenant Payment Profile

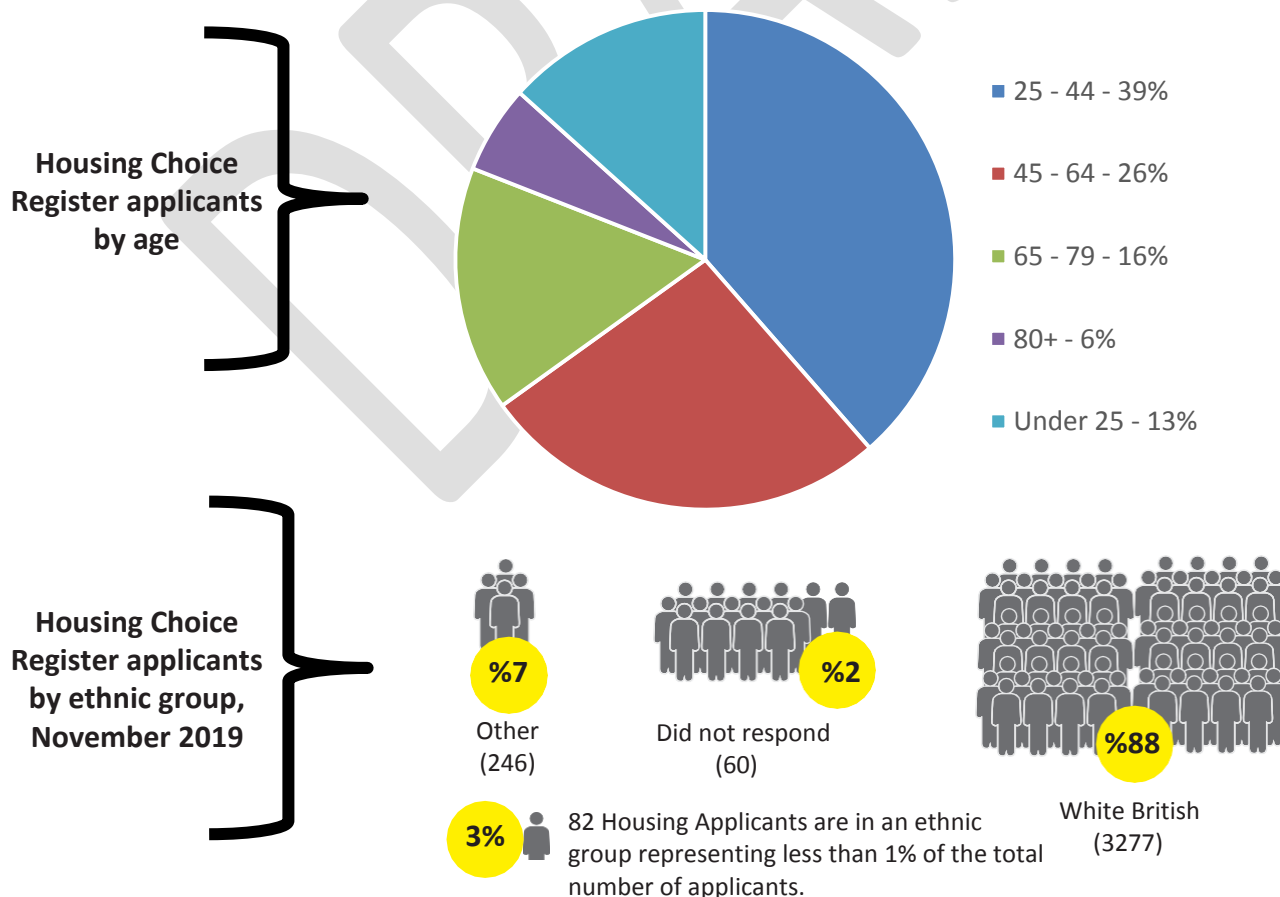
For tenants currently claiming Universal Credit, we know that 29% are paying their rent by direct debit. A further 16% are receiving Universal Credit Payments direct to CCC.

Tenant Payment methods



Housing Choice Applicants

We know that 39% of our lead applicants are aged 25 to 44 with a further 13% aged under 25. 6% are aged 80+ and the remaining 42% are aged 45 to 79. We know that 88% are white British and a further 2% of our lead applicants did not provide information about their ethnic group.



Appendix C: How Happy Tenants are with the Services we Provide

During 2019 we have continued to engage with tenants and other stakeholders in a number of ways. We have recently received feedback from a STAR Resident Satisfaction Survey that provided us with an overall summary for how satisfied tenants are with the overall services we provide as a Council.

The results are provided below:



Neighbourhood Services

85%

Satisfied with
neighbourhood as a
place to live

66%

Satisfied with the
grounds maintenance
service

Communication

58%

Satisfied with the way
the Council deals with
ASB

Rural areas such as Cynwyl Elfed, St Ishmael and Gorslas has almost unanimous satisfaction

Satisfaction was significantly lower in urban areas of North and West Carmarthen, Eastern Llanelli and Ammanford

Ground maintenance satisfaction was on par with other landlords

Dealing with ASB was a secondary key driver of satisfaction

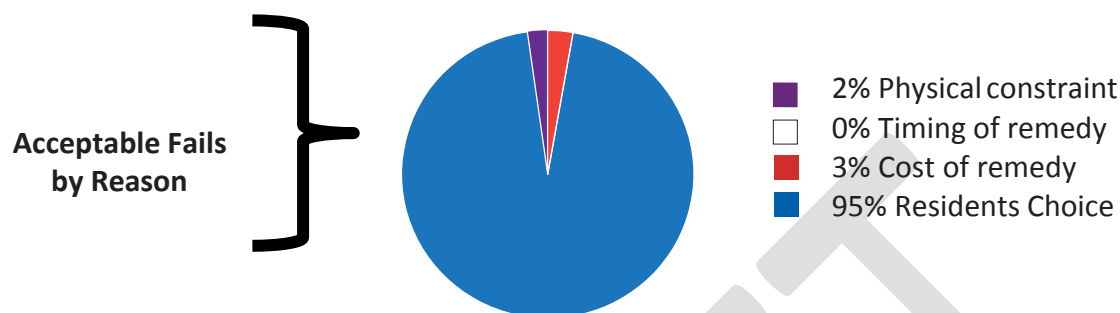
Satisfaction was lowest for 35-49-year olds

Some correlation between ASB satisfaction and rating for the neighbourhood overall

Appendix D: Acceptable Fails

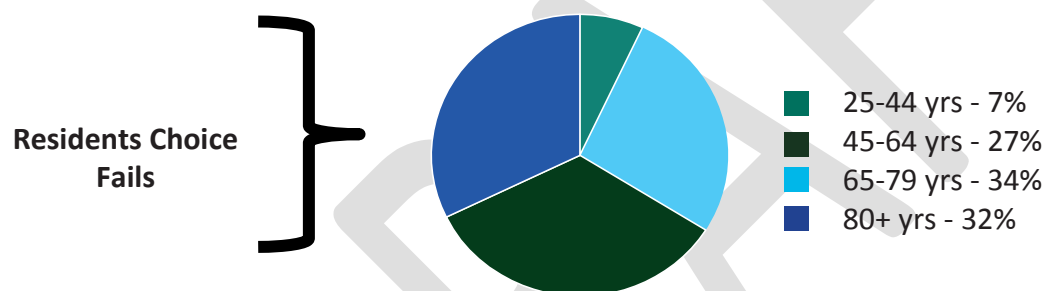
The Welsh Government Outlines 'acceptable fails' as a home which meets the standard but has not had all works carried out to make it full compliant. There are different reasons for why these acceptable fails would occur.

Some tenants have chosen not to have the work done (Residents' choice) because they were happy with their homes, have made their own improvements or some, particularly older tenants, do not want the disruption. This is, by far, the main reason why homes do not currently meet the standard.



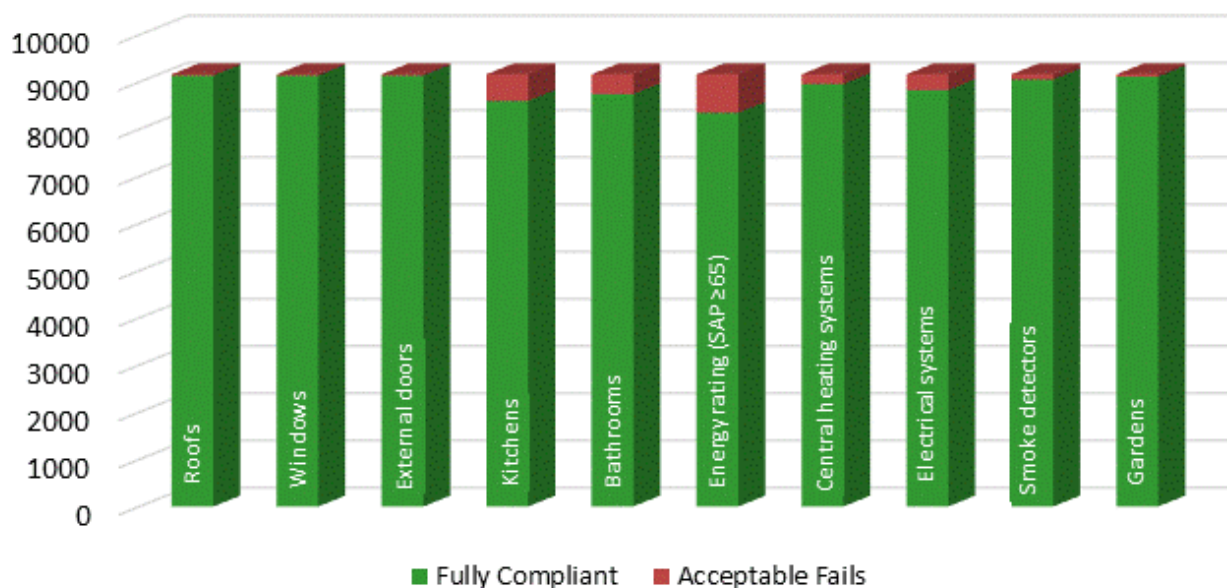
We know that 95% of our acceptable fails are as a result of residents' choice. The remaining 5% being the cost of the remedy or physical constraints.

We also know that 32% of the residents who chose not to have the CHS+ works completed are aged 80 or over and a further 34% are between the age of 65 and 79.



WHQS Compliance

The following tables set out our achievement of meeting the CHS+ in 2015 by components, together with the annual programme to maintain compliance of the CHS+.



THIS PAGE IS LEFT
INTENTIONALLY
BLANK

DRAFT

Achieving and Maintaining the Carmarthenshire Homes' Standard Plus

Appendix E – CHS+ Compliance Policy

February 2020



Contents

| | |
|---|---|
| 1. The purpose..... | 2 |
| 2. The context..... | 2 |
| 3. Our approach to achieving and maintaining the CHS+ in the future | 3 |
| • What is our policy statement? | |
| • How have we developed the approach? | |
| • What are tenants telling us? | |
| • Further development and new opportunities. | |
| • What has been achieved to date? | |
| • What have been the wider benefits of delivering the CHS+? | |
| • How will we go about maintaining the CHS+ in the future? | |
| • How will we deal with homes that do not meet the CHS+? | |
| • Have we any plans to improve the CHS+? | |
| • How do we go about monitoring progress on the CHS+? | |
| • How do we prepare out financial plan to deliver our work programmes to maintain the standard? | |
| • How do we manage the stock information to inform future planning to maintain the CHS+? | |
| • How do we link with Welsh Government reporting with our business and asset plans? | |
| • How will we go about verifying progress in the future? | |

1. The purpose....

- 1.1. The purpose of this document is to confirm our approach in achieving and maintaining (and further improving) the Carmarthenshire Homes' Standard (CHS). It takes account of the guidance produced by the Welsh Government in 2015 in terms of compliance and verification.

2. The context....

- 2.1. Carmarthenshire has been committed to achieving the CHS by providing homes for council tenants that are modern, safe, fuel efficient, situated in well maintained neighbourhoods and are well managed.
- 2.2. The CHS is an amended version of the Welsh Housing Quality Standard that has been defined by the tenants themselves. In 2006, the Council started its ambitious programme to achieve the CHS by the end of 2015.
- 2.3. We are pleased to say that we have delivered this programme, on time, to homes where tenants have agreed to have the work carried out. Even though these programmes have been delivered, this does not mean the end of the CHS. There remains much more to do.
- 2.4. During 2015, we introduced the concept of the Carmarthenshire Homes Standard Plus (CHS+), building on the success of the CHS and extending to ensure we maintain and improve on what has been achieved.
- 2.5. We have acknowledged 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 critical to the delivery of the plan. The 2020/23 business plan covers two key themes that have been identified in terms of future investment. These are:

1. THEME 1- Supporting tenants and residents.

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

3. THEME 3 - Providing more homes.

3. *Our approach to achieving and maintaining the CHS+ in the future*

- 3.1. The following table will confirm our approach in achieving and maintaining (and improving) the CHS+ in the future. Where appropriate, it will confirm policy decisions that have already been made e.g. through documents like our CHS+ Business Plan 2020-23. It will also identify any current gaps, and how they will be addressed, to deliver the standard in the future.

| | |
|--|---|
| <p><i>What is our policy statement?</i></p> | <p>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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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+ |
| <p><i>How have we developed the approach?</i></p> | <p>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.</p> <p><i>Tenant and residents' engagement and communication</i></p> <p>Tenant and community engagement has 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.</p> <p>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: -</p> <p><i>"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".</i></p> |

What are 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 was collected online (513), and 82 surveys were completed in Welsh (4%).

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% |

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.

Further Development and new opportunities

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 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;

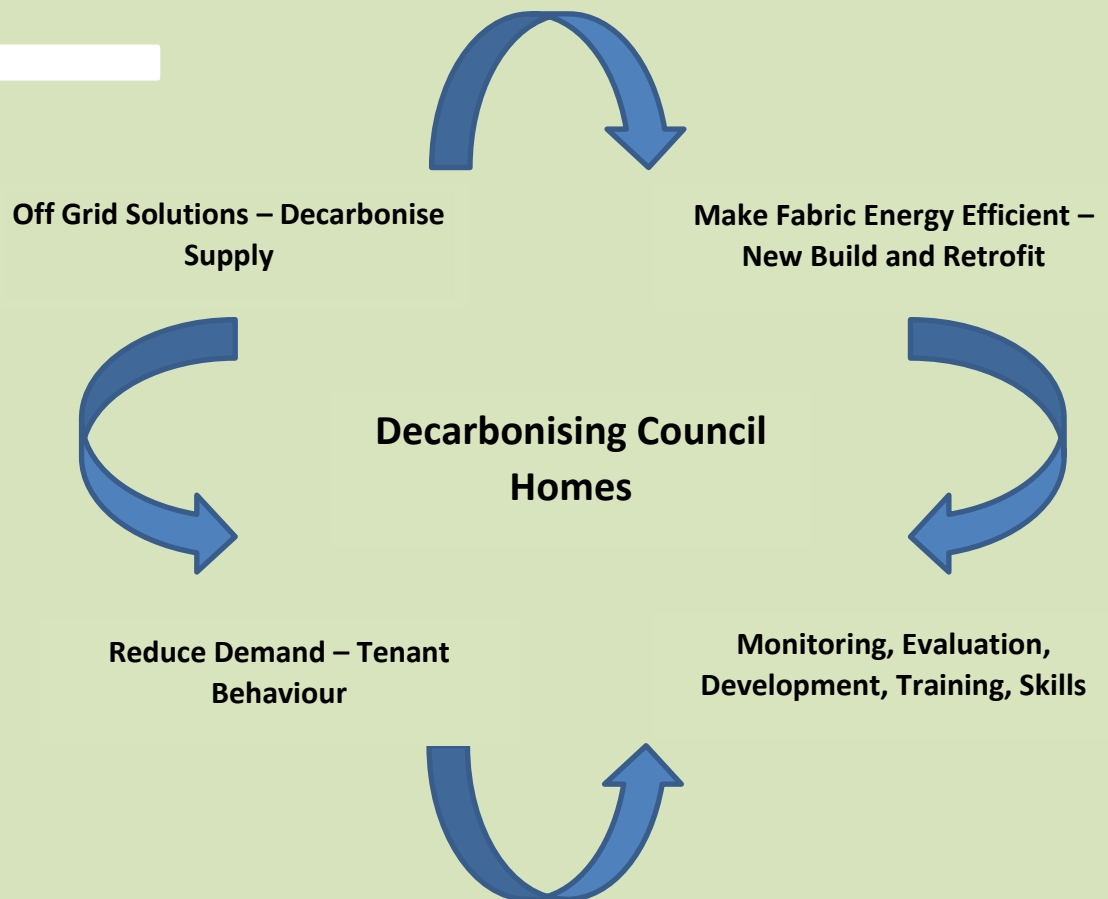
- Solar PV (location dependent on the orientation of each house); and
- Lithium ion batteries.

Where tenants have agreed to participate in this scheme, discreet monitoring equipment has been installed to measure the environmental conditions and energy use in the homes before and after the work has been carried out.

We will be analysing the results of the installation of low carbon technology in terms of costs, benefits to tenants and ease of use.

Homes as Power Stations – Decarbonising Council Homes

Aligning with the above work, 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 that could contribute to reducing CO2 emissions, enable affordable warmth, improve health outcomes and reduce the burden on social care and healthcare whilst developing a



local supply chain.

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. 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.

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.

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), Carmarthenshire County Council are undertaking a programme of radon testing in all our properties located in areas where there is a higher probability of radon levels. All landlords are required to do this as standard practice.

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.

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.

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.

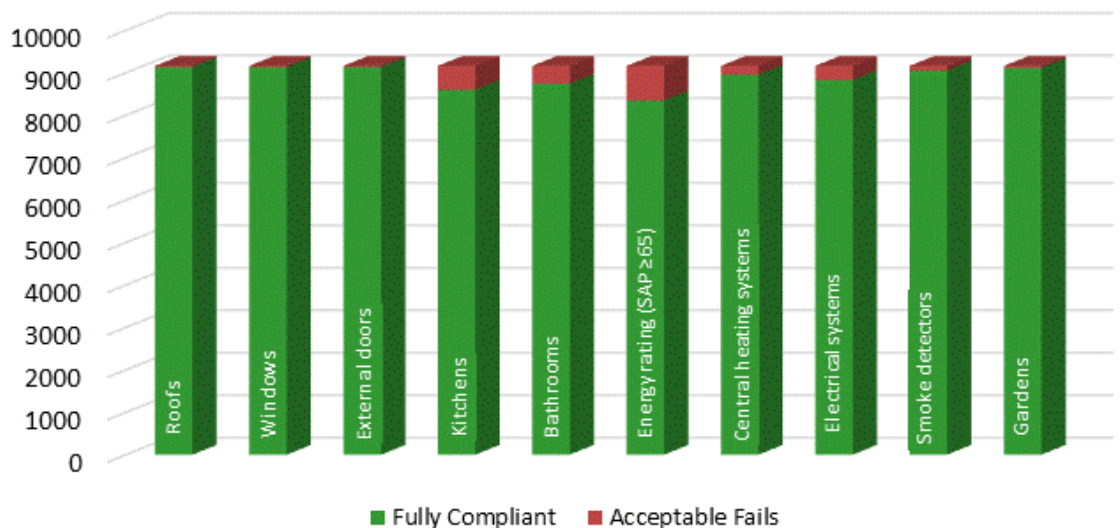
Residents and stakeholders identified the following issues:

- 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 an action plan.

What has been achieved to date?

The following table sets out our achievement of meeting the CHS+ in 2015 by components, together with the annual programme to maintain compliance of the



CHS+.

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 1000 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;

**What have
been the
wider
benefits of
delivering
the CHS+?**

- 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 over 30 Council new build homes at Dylan and Garreglwyd;
- Housed over 60 households who have specific needs through our Accessible Housing Register (AHR);
- Registered over 3000 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 1200 tenants onto the Universal Credit system.

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
- 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.

How will we go about maintaining the CHS+ in the future?

Our agreed assumptions that the standard of our homes will be to the CHS+ and replacement programmes will be based on condition, not time.

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.

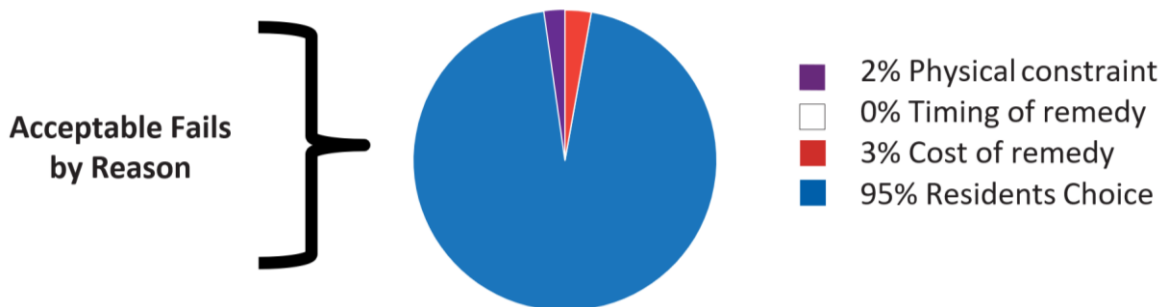
The investment required to address these themes have been built into the HRA Capital Programme 2020/2023:

| 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 |

How will we deal with homes that do not currently meet the CHS+?

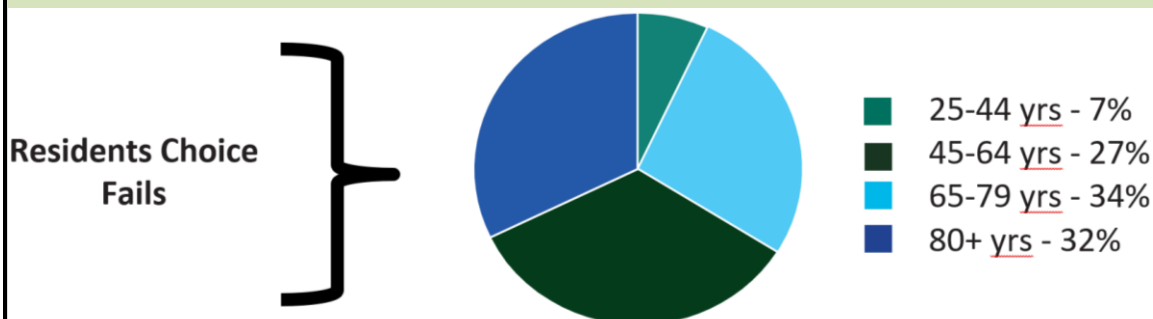
There are some homes that currently fail to meet the CHS+. These are known as “acceptable fails”.

Some tenants have chosen not to have the work done (Residents’ choice) because they were happy with their homes, have made their own improvements or some, particularly older tenants, do not want the disruption. This is, by far, the main reason why homes do not currently meet the standard.



We know that 95% of our acceptable fails are as a result of residents’ choice. The remaining 5% being the cost of the remedy or physical constraints.

We also know that 32% of the residents who chose not to have the CHS+ works completed are aged 80 or over and a further 34% are between the age of 65 and 79.



For homes where part or some of the work has previously been declined, we will contact tenants who have previously declined CHS+ works to discuss any issues they have and agree with them when works are to be programmed.

For empty homes where there is some or all of the CHS+ work to be completed we will 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.

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.

Have we any plans to improve the CHS +?

As has been stated our CHS+ Business Plan takes account of supporting tenant’ and residents in their home, increasing the supply of affordable of homes as well as maintaining the standard to existing homes.

We are looking to improve the existing standards to maintain and this will need to be carried out in partnership with tenants and members.

CHS was originally set by our tenants and it is very important that any changes are driven by them, within the financial resources that are available. Examples of areas that may be considered include:

- Reviewing specification of key components e.g. bathrooms/kitchens
- Increasing technology in the home to save money; and
- Developing a different standard for older people’s accommodation to suit future needs

How do we go about monitoring

As well as our reporting mechanisms to Welsh Government our CHS+ compliance is monitored and reported through a robust governance structure that includes: (Subject to change)

***progress on
the CHS+?***

- A cross departmental Director led Housing and Regeneration Strategic Team
- Operational sub groups aligned to our three main themes
- A Project Working Group focusing on financial monitoring
- A Housing Services Advisory Panel consisting of tenants, members and officers; and
- Tenant Involvement through challenge panel, community events, social media, single issue meetings and tenant feedback.

We also have a Corporate and Departmental Performance Management Framework that monitors quarterly/ monthly performance on key CHS+ measures. Measures are also reported through our Scrutiny and Improvement Plan processes.

***How do we
prepare our
financial
plan to
deliver our
work
programmes
to maintain
the
standard?***

As part of the development of the annual CHS+ business plan we;

- Assess variations in forecast expenditure and income, including likely rent increases and interest payments,
- Consider emerging pressures and opportunities in consultation with service managers and tenants e.g. relating to what matters to tenants, new legislation, demographic changes and asset management priorities,
- Carry out a cost certainty exercise over three, five and 30 years (three-year detailed component analysis); and
- Confirm level of investment possible in relation to our borrowing cap.

In order to make sure we are fully equipped to maintain the CHS (+) in the future we are now investing in a new HRA Business Planning model, developed by Capita Housing and Consultancy. The model is specifically designed for use with the new financing regime for local authorities with retained stock.

The model generates a full set of revenue and capital cash flows, based on the best currently available local information. It produces a range of summary tables and charts, offering flexibility in how we use it. With a relatively few numbers of input, the model will produce a full set of forecasts. More complex modelling can also be carried out if needed.

***How do we
manage the
stock
information
to inform
future
planning to
maintain the
CHS+?***

Stock Condition

Before implementing the CHS an internal asset management database was developed to produce the programme of works. This was populated through an 80% stock condition survey and information received from major works programmes at the time. The remaining property data was modelled giving a high level of accuracy to achieve the CHS.

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 accommodation 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 economies by replacing components e.g. kitchen, bathrooms etc. 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 e.g. 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 (or as soon afterwards), if the prospective tenant requests it;
- 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, linking in with our Care Home development programme;
- 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 changing/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 and Members;
- 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 its 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 be specifically focusing 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 stock condition survey to verify our cost certainty business plan, identify gaps and provide independent verification;
- Understand why work has not been completed within the stock e.g. the tenant has requested that no work be carried out; and
- Review our Asset Management Systems and Strategy to ensure all stock is fit for both current and emerging needs.

How do we link Welsh Government reporting with our business and asset plans?

We submit a three-year Business Plan to the Welsh Government on an annual basis that reports progress on the delivery of the CHS (+). Underpinning our business plan will be our stock condition, asset management information and our 30-year financial projections.

We also provide quarterly monitoring reports on progress of the Business Plan to the Welsh Government as part of our Major Repairs Allowance (MRA) application, which is an annual grant of over £6 million to support investment in tenant homes.

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.

How will we go about verifying progress in the future?

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

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.

THIS PAGE IS LEFT
INTENTIONALLY
BLANK

This page is intentionally left blank

COMMUNITY SCRUTINY COMMITTEE 5TH FEBRUARY 2020

FORTHCOMING ITEMS FOR NEXT MEETING TO BE HELD ON 2ND APRIL 2020

In order to ensure effective Scrutiny, Members need to be clear as to the purpose of requesting specific information and the outcome they are hoping to achieve as a consequence of examining a report. Limiting the number of agenda items may help to keep meetings focused and easier to manage.

| Proposed Agenda Item | Background | Reason for report |
|--|---|--|
| Q3 Performance Management Report for 2019/20 | This is the standard Performance Management report on our progress in delivering the objectives/actions and targets set out in the New Corporate Strategy. It covers those elements of the strategy that fall under the remit of this Scrutiny. | To enable the committee to undertake its monitoring role. |
| Budget Monitoring Report 2019/20 | This is a standard quarterly budget report covering the revenue and capital budgets for the Communities and Environment Departments which fall within the remit of the Community Scrutiny Committee | To enable the committee to undertake its monitoring role of the Community and Environment Department budgets which fall within its remit |

This page is intentionally left blank