



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Well-being of Future Generations: Increase the availability of rented and affordable homes – **Carmarthenshire County Council**

Audit year: 2019-20

Date issued: October 2019

Document reference: 1550A2019-20



This document has been prepared for the internal use of Carmarthenshire County Council as part of work performed/to be performed in accordance with the Well-being of Future Generations Act (Wales) 2015.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

[info.officer@audit.wales](mailto:info.officer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

The team who delivered the work comprised Tim Buckle, Alison Lewis and Sara Leahy under the direction of Huw Rees.

# Contents

The Council is applying the sustainable development principle in providing additional affordable housing.

## Summary report

Summary 4

## Detailed Report

Part One: Examination Findings 6

The Council has a clear understanding of what it needs to do to help meet the short and long term need for affordable housing 6

The Council has identified a range of preventative benefits that it wants to deliver through its affordable housing programme, but its plans do not clearly set out how it will deliver these 8

The Council is making links between the delivery of this step and its other well-being objectives but there are opportunities to consider how it relates to the national well-being goals and the objectives of other organisations 9

The Council is taking a collaborative approach to the delivery of its affordable housing programme 10

The Council has engaged communities in its work on housing but there are opportunities to strengthen its approach to involvement 11

Part Two: Council's response 13

## Appendices

Appendix 1: Positive Indicators of the Five Ways of Working 14

# Summary report

## Summary

### Why we undertook the Examination

- 1 In accordance with the Well-being of Future Generations (Wales) Act 2015 (the Act) the Auditor General for Wales (the Auditor General) is statutorily required to examine public bodies to assess the extent to which they have acted in accordance with the sustainable development principle when:
  - a. setting their well-being objectives; and
  - b. taking steps to meet them.
- 2 The Act defines the sustainable development principle as acting in a manner: '...which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs'.
- 3 The Auditor General must provide a report on his examinations to the National Assembly for Wales at least a year before each Assembly election. The first such report will be published in 2020, before the 2021 Assembly election.
- 4 The Auditor General has undertaken examinations across the 44 bodies covered by the Act to inform his report to the National Assembly during 2018-19 and 2019-20.
- 5 The findings in this report are based on fieldwork that we undertook during the period July 2019 to September 2019.
- 6 This report sets out our findings from our examination of 'increase the availability of rented and affordable homes', a step the Council is taking to meet its Well-being Objectives.
- 7 It also sets out the Council's initial response to our findings.

### What we examined

- 8 we examined the extent to which the Council is acting in accordance with the sustainable development principles when taking the following steps:
  - planning to deliver more affordable homes by building new Council homes directly through the Housing Revenue Account; and
  - developing a wider range of homes through the recently established Housing Company.
- 9 the Council's newest plan for housing sets out how it intends to deliver 900 new Council homes (in the period 2019-2029) by building new properties. The Council has established a Local Housing Company, called Cartrefi Croeso, to help it deliver additional housing. This company is wholly owned by the Council.
- 10 in order to act in accordance with the sustainable development principle public bodies must take account of the following 'ways of working':

## Exhibit 1: the 'five ways of working'

The table below sets out the 'five ways of working' as defined in the Welsh Government's 'Well-being of Future Generations (Wales) Act 2015 The Essentials'<sup>1</sup> document.

<b>The Five Ways of Working</b>
<b>Long term</b> The importance of balancing short term needs with the need to safeguard the ability to also meet long term needs.
<b>Prevention</b> How acting to prevent problems occurring or getting worse may help public bodies meet their objectives.
<b>Integration</b> Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies.
<b>Collaboration</b> Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives.
<b>Involvement</b> The importance of involving people with an interest in achieving the well-being goals and ensuring that those people reflect the diversity of the area which the body serves.

- 11 Our examination found that: The Council is applying the sustainable development principle in providing additional affordable housing.

<sup>1</sup> Welsh Government, **Well-being of Future Generations (Wales) Act 2015 The Essentials, 2015**

# Detailed report

## Part One: Examination Findings

### The Council is applying the sustainable development principle in providing additional affordable housing

The Council has a clear understanding of what it needs to do to help meet the short and long term need for affordable housing

#### What we looked for

- 12 We looked for evidence of:
- a thorough understanding of current and long term needs and the associated challenges and opportunities;
  - planning over an appropriate timescale;
  - resources allocated to ensure long term benefits; and
  - appropriate monitoring and review.
- 13 Our examination was also informed by the positive indicators for the 'long term' that we have identified and used as part of this examination.<sup>2</sup>

#### What we found

- 14 We identified the following strengths:
- the Council has been considering long term housing need in the county for a number of years. In order to maintain its housing stock it was one of the first councils to suspend right to buy. It also upgraded its stock to a standard above that required by the Welsh Housing Quality Standard.
  - the Council, in collaboration with neighbouring councils, has undertaken a comprehensive Housing Market Assessment, which it is using to plan for future housing need.
  - the Council has used research from a number of sources to support its future assessment predictions, including liaison with other departments around the provision of specialist housing. The housing department has used the research it has conducted around housing need to help inform other key strategic policies including the Regeneration Strategy and the Local Development Plan.

<sup>2</sup> See Appendix 1

- in designing its new homes the Council is taking a long term view of the type of housing it is seeking to provide including investing in eco housing and 'lifetime housing'. The Council is balancing the short term additional costs of investment in innovative technology for eco homes with the long term environmental benefits.
- the Housing Department has also been heavily involved in the Council's recent review of problems facing rural communities through the Rural Affairs Task and Finish Group which was looking at the long term sustainability of rural communities.
- the Council has identified the funding required to deliver both its short and longer-term aspirations for housing. The Council's ongoing commitment to investing in its current housing stock through the Carmarthenshire Homes Standards amounts to £415m over the next 30 years. The Council is also investing over £60m to deliver its Affordable Homes Delivery Plan (2016-2021). This plan sets out how the Council will increase the supply of affordable homes by 1000 over the five-year period. The delivery of affordable homes to date has been achieved using a variety of solutions including: buying private sector homes, supporting landlords in the private rented sector with our innovative Social Lettings Agency and bringing empty homes back into use. The Council is monitoring and reporting on the delivery of its housing plan. In the first three years the Council has delivered 700 homes, so it is on course to reach its 1000 homes target by 2021.
- the Council's 'Building More Council Homes - Our ambition and plan of action (May 2019)' sets out how it intends to deliver 900 new Council homes (in the period 2019-2029) by building new properties. This is a 10-year investment programme of nearly £150m. With £53m identified to be spent on providing 300 new homes in the first 3 years.
- the Local Housing Company (Cartrefi Croeso) is able to access additional funding sources including prudential borrowing through the Council and private finance. This additional financial flexibility will enable the company to deliver a range of housing options, including mixed tenure developments which will include shared ownership, open market sale and social rented homes.

15 We identified the following areas for improvement:

- the Council currently has an Affordable Homes Delivery Plan 2016-2022 and a 10 year New Build Investment Programme. There is an opportunity to consider if these plans are sufficiently aligned.
- the purpose and focus of the work of the newly established housing company, Cartrefi Croeso, is evolving and as this becomes more settled the Council needs to reflect the role of the company in its delivery plans.

- the Council's performance measures currently do not reflect the wider aspirations of its housing programmes, beyond the provision of additional housing units.

**The Council has identified a range of preventative benefits that it wants to deliver through its affordable housing programme, but its plans do not clearly set out how it will deliver these**

#### What we looked for

- 16 We looked for evidence of:
- a thorough understanding of the nature and type of problem the step could help prevent from occurring or getting worse;
  - resources allocated to ensure preventative benefits will be delivered; and
  - monitoring and review of how effectively the step is preventing problems from occurring or getting worse.
- 17 Our examination was also informed by the positive indicators for 'prevention' that we have identified and used as part of this examination.<sup>3</sup>

#### What we found

- 18 We identified the following strengths:
- the Council were able to identify a number of aspects it is seeking to prevent, including:
    - economic decline or people moving away from the county for employment;
    - decline of rural areas;
    - decline of the Welsh language;
    - ill-health;
    - detrimental environmental impacts;
    - fuel poverty; and
    - homelessness.
  - the Council has committed resources to the preventative agenda by investing in technologies that increase production costs in the short term but with the potential to save money in the long term.
  - the Council has undertaken work to understand these issues including:

<sup>3</sup> See Appendix 1



- health – the Council commissioned a Health Impact Study which demonstrated the positive impact of quality homes on the health of residents.
- rural communities – the Council through the Rural Affairs Task and Finish Group has undertaken a study to identify the key challenges of rural communities and developed an action plan (in which housing and planning form part of the solution).
- economic development – housing is a key part of the Council's regeneration agenda.

19 We identified the following areas for improvement:

- the Council in its plans for housing could more clearly set out what it is trying to prevent through this 'step' and how it will achieve this.

**The Council is making links between the delivery of this step and its other well-being objectives but there are opportunities to consider how it relates to the national well-being goals and the objectives of other organisations**

#### What we looked for

20 We looked for evidence of consideration of:

- how this step could contribute to the seven national well-being goals;
- how delivery of this step will impact on the Council's well-being objectives and wider priorities; and
- how delivery of this step will impact on other public bodies' well-being objectives.

21 Our examination was also informed by the positive indicators for 'integration' that we have identified and used as part of this examination.<sup>4</sup>

#### What we found

22 We identified the following strengths:

- the Council has begun to consider how its approach to delivering more affordable homes links with the seven national well-being goals.
- the Council's plans for affordable housing show integration with other key Council plans including its well-being objective relating to regeneration.

<sup>4</sup> See Appendix 1

- the Council has taken steps to integrate the wider priorities of the Social Service Department with the work around the provision of additional specialised new homes.
- the Housing Department's approach to the provision of more affordable homes is integrated with the wider economic development strategy of the Council through its procurement practices, supporting the local supply chain and use of apprenticeships.
- the Council is also integrating its aspiration for more affordable housing with its Acquisition and Disposal Property Policy. For example, the Council is considering wider agendas when selling land and has sold land below market value in order to secure more affordable housing in a high need area.

23 We identified the following areas for improvement:

- the Council could more clearly define how the work they are doing to provide more affordable housing links to; the seven national well-being goals, the well-being objectives of other organisations, including the Public Service Board, and the other well-being objectives of the Council.

## The Council is taking a collaborative approach to the delivery of its affordable housing programme

### What we looked for

24 We looked for evidence that the Council:

- has considered how it could work with others to deliver the step (to meet its well-being objectives, or assist another body to meet its well-being objectives);
- is collaborating effectively to deliver the step; and
- is monitoring and reviewing whether the collaboration is helping it, or its stakeholders meet well-being objectives.

25 Our examination was also informed by the positive indicators for 'collaboration' that we have identified and used as part of this examination.<sup>5</sup>

### What we found

26 We identified the following strengths:

- the Council has internal groups that help ensure that there is effective internal collaboration to deliver this step and related key policy agendas. These groups include the Regeneration Delivery Team and the Affordable

<sup>5</sup> See Appendix 1

Housing Steering Group. These groups include relevant representation from different departments of the Council.

- there is positive collaboration between housing and social services, with both departments working closely around developing a range of options within the affordable housing work for homes for people with specialist needs.
- the Council is collaborating with many different organisations including the health service and universities through the Health Impact Study, and with the wider Swansea Bay City Region in looking at new technologies for eco housing.
- the Council is also collaborating with other social housing providers and the private sector to help them meet their ambitious plans to increase the availability of rented and affordable homes.
- in Tyisha ward, Llanelli, the Council is working with the police, health service and third sector organisations to look at solutions for and investment in this area.

27 We identified the following areas for improvement:

- the Council has taken steps to improve collaboration with registered social landlords and health but recognises that there are opportunities to further strengthen these collaborations.

## The Council has engaged communities in its work on housing but there are opportunities to strengthen its approach to involvement

### What we looked for

28 We looked for evidence that the Council has:

- identified who it needs to involve in designing and delivering the step;
- effectively involved key stakeholders in designing and delivering the step;
- used the results of involvement to shape the development and delivery of the step; and
- sought to learn lessons and improve its approach to involvement.

29 Our examination was also informed by the positive indicators for 'involvement' that we have identified and used as part of this examination.<sup>6</sup>

<sup>6</sup> See Appendix 1

## What we found

30 We identified the following strengths:

- the Council has engaged communities in their work on housing including:
  - having a Tenants' Consultative Forum and a tenant engagement strategy;
  - face to face consultation work in Tyisha ward, Llanelli to develop a community masterplan based on feedback and priorities identified by the community;
  - surveys with the public as part of the Rural Affairs Task and Finish work; and
  - using engagement work undertaken by colleagues in the social services department to gather the views of people in need of specialist housing.
- the Council has listened and responded to consultation, for example the Council changed the size of properties on one development based on the feedback received.
- the Housing Company is currently involving the Community Council in Llansteffan about proposals and arrangements for limiting marketing of new homes initially to those living in or having close connections to the area.

31 We identified the following areas for improvement:

- Whilst the Council has taken steps to identify and engage with groups in the community to inform their housing work, there are further steps that the Council could take to improve on the approach to involvement, including:
  - ensuring that involvement work covers the full diversity of the community;
  - having a clear approach to involving potential service users, not just existing housing tenants;
  - undertaking involvement at each stage of the process including design, development, delivery and review;
  - ongoing involvement, by for example seeking service users' views after they have lived in the accommodation to inform future designs; and
  - regularly reviewing its consultation and engagement arrangements to enhance future engagement work.

## Part Two: Council's response

- 32 Following the conclusion of our fieldwork we presented our findings to the Council at a workshop in September 2019 that was attended by officers from the Council and a representative from the new housing company (Cartrefi Croeso). At this workshop the Council began to consider its response to our findings and as a result of discussions at the workshop and further reflection on our findings the Council has developed the following actions.
- 33 The Council will review and amalgamate its existing plans to develop a new Affordable Homes Delivery Plan, by April 2020, which will:
- set out how the Council is applying the five ways of working and how these will be achieved in the delivery of its affordable homes strategy;
  - contain a refreshed outputs, outcomes and impact framework.
- 34 We will continue to monitor the Council's progress in implementing these actions, and the extent to which they address the issues we have identified in our findings.

# Appendix 1

## Positive Indicators of the Five Ways of Working

The table below sets out 'positive indicators' for each of the five ways of working that we have identified and will use to help inform our assessments of the extent to which bodies may be applying the Sustainable Development Principle (SDP). We do not intend to use the indicators as a 'checklist'. They should be viewed as 'indicators' that will help us to form conclusions, rather than 'determinants' of the extent to which a body is acting in accordance with the SDP in taking steps to meet its well-being objectives.

### Exhibit 1: Positive Indicators of the Five Ways of Working

<b>What would show a body is fully applying the long term way of working?</b>
<ul style="list-style-type: none"><li>• There is a clear understanding of what 'long term' means in the context of the Act.</li><li>• They have designed the step to deliver the well-being objective/s and contribute to their long term vision.</li><li>• They have designed the step to deliver short or medium-term benefits, which are balanced with the impact over the long term (within the project context).</li><li>• They have designed the step based on a sophisticated understanding of current and future need and pressures, including analysis of future trends.</li><li>• Consequently, there is a comprehensive understanding of current and future risks and opportunities.</li><li>• Resources have been allocated to ensure long term as well as short term benefits are delivered.</li><li>• There is a focus on delivering outcomes, with milestones/progression steps identified where outcomes will be delivered over the long term.</li><li>• They are open to new ways of doing things which could help deliver benefits over the longer term.</li><li>• They value intelligence and pursue evidence-based approaches.</li></ul>
<b>What would show a body is fully applying the preventative way of working?</b>
<ul style="list-style-type: none"><li>• The body seeks to understand the root causes of problems so that negative cycles and intergenerational challenges can be tackled.</li><li>• The body sees challenges from a system-wide perspective, recognising and valuing the long term benefits that they can deliver for people and places.</li><li>• The body allocates resources to preventative action that is likely to contribute to better outcomes and use of resources over the longer term, even where this may limit the ability to meet some short term needs.</li><li>• There are decision-making and accountability arrangements that recognise the value of preventative action and accept short term reductions in performance and resources in the pursuit of anticipated improvements in outcomes and use of resources.</li></ul>

#### **What would show a body is taking an 'integrated' approach?**

- Individuals at all levels understand their contribution to the delivery of the vision and well-being objectives.
- Individuals at all levels understand what different parts of the organisation do and proactively seek opportunities to work across organisational boundaries. This is replicated in their work with other public bodies.
- Individuals at all levels recognise the cross-organisation dependencies of achieving the ambition and objectives.
- There is an open culture where information is shared.
- There is a well-developed understanding of how the well-being objectives and steps to meet them impact on other public sector bodies.
- Individuals proactively work across organisational boundaries to maximise their contribution across the well-being goals and minimise negative impacts.
- Governance, structures and processes support this, as do behaviours.

#### **What would show a body is collaborating effectively?**

- The body is focused on place, community and outcomes rather than organisational boundaries.
- The body has a good understanding of partners' objectives and their responsibilities, which helps to drive collaborative activity.
- The body has positive and mature relationships with stakeholders, where information is shared in an open and transparent way.
- The body recognises and values the contributions that all partners can make.
- The body seeks to establish shared processes and ways of working, where appropriate.

#### **What would show a body is involving people effectively?**

- Having an understanding of who needs to be involved and why.
- Reflecting on how well the needs and challenges facing those people are currently understood.
- Working co-productively, working with stakeholders to design and deliver.
- Seeing the views of stakeholders as a vital source of information that will help deliver better outcomes.
- Ensuring that the full diversity of stakeholders is represented and they are able to take part.
- Having mature and trusting relationships with its stakeholders where there is ongoing dialogue and information is shared in an open and transparent way.
- Ensure stakeholders understand the impact of their contribution.
- Seek feedback from key stakeholders which is used to help learn and improve.

Wales Audit Office  
24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

Swyddfa Archwilio Cymru  
24 Heol y Gadeirlan  
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: [post@archwilio.cymru](mailto:post@archwilio.cymru)

Gwefan: [www.archwilio.cymru](http://www.archwilio.cymru)