

Housing Revenue Account Business Plan 2022-25

Carmarthenshire Housing Investment Programme



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Foreword by our Cabinet Members

It is with great pleasure we introduce our Housing Revenue Account (HRA) Business Plan for 2022-2025. This plan sets out our priorities and activities for new and existing Council homes for the next three years. Our plans are exciting and ambitious. They will help stimulate economic growth, improve health and well-being and build strong sustainable communities.

The Covid pandemic continues to affect our housing services and tenants, but during 2021/22 we were able to deliver a comprehensive programme of works on our homes and maintain services to all our tenants. This Plan will build on our response to the pandemic and the contribution it makes to the local economy by continuing to deliver our ambitious programmes over the next three years. During this period, we will invest over £274m into social housing in Carmarthenshire (Capital £120m and Revenue £154m).

The demand for affordable homes across the County remains high and the number of individuals or families presenting as homeless is still greater than what it was pre-pandemic. But even in these challenging times, through the continuous hard work of officers, we have maintained high standards of performance and delivered on our promises.

As an administration, providing more affordable homes has been so important to us. We have already exceeded the targets in our first affordable housing plan, produced in 2016, which delivered over 1,000 homes, nearly a year ahead of programme. We are confident that providing more homes in the right areas and giving people a choice of where they would like to live, will build stronger, more resilient communities. Our new development programme will support the delivery over 2,000 homes and support the regeneration of our town centres, rural towns and villages and our major regeneration sites including the innovative Pentre Awel Life Science Village in Llanelli and Transforming Tyisha programme.

We also look forward to a new era in improving our existing housing stock. The Council is leading the way on decarbonising our homes which will make our homes more affordable for our tenants. This plan shows a firm commitment to support the investment required for the new Housing Decarbonisation and Affordable Warmth Strategy which will involve improving the fabric performance of our homes, low carbon heating solutions and renewable technology. This programme of work will make a substantial contribution to tackling the climate emergency and follow the Council's principles of becoming a Net Zero Carbon Authority by 2030.

Supporting our tenants remains one of our key priorities. We know that the introduction of Universal Credit has 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 2,500 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 2022/23 as low as possible.

Finally, we would like to thank tenants, staff and members for their continuous support in driving our ambitious plans forward. We know that there is a lot more to do and that pandemic has temporarily delayed some of our programmes. However, the details within the plan clearly lay out our priorities and opportunities going forward. The plan provides confidence that we will continue to invest in new and existing homes, improve our tenants' lives, reduce carbon emissions, and help our communities and economy become stronger than ever before.

Diolch yn fawr iawn,



Cllr. Linda Davies Evans
Cabinet Member for Housing



Cllr David Jenkins
Cabinet Member for Resources

Introduction

Introduction

The Welsh Housing Quality Standard (WHQS) is the standard set for all social housing in Wales by Welsh Government (WG). 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 (CHS), and this was successfully delivered in 2015, well in advance of the WG timescales.

Purpose of the HRA Business Plan

The purpose of this Plan is to explain the vision and detail of our Housing Investment Programme, and what it means for tenants. It also includes a £120m capital investment programme for the next three years. This will enable us to continue to improve and maintain our Council housing stock, build new Council homes in our communities and improve the energy efficiency of our existing homes, reducing carbon emissions and supporting the Council's net zero carbon principles.

The approved Plan enables us to submit our annual application to WG for Major Repairs Allowance (MRA) for 2022/23, which amounts to £6.2m. Previous years' business plans and forecasting of our spend profile have allowed us to draw down the full MRA allocation every year.

Advancing the HRA Business 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.

Progress against the actions within the plan, associated budgets and strategic direction will be monitored regularly by the Housing & Regeneration Strategic Team. The plan also acknowledges the link between good quality housing and estate management with the seven goals in the Well-being of Future Generations Act.

A copy of the Governance structure and the well-being goals are provided in Appendix A.

2021/2022 Achievements

In 2021/22 the delivery of all housing related services continued despite the lasting effects of the Covid 19 pandemic by providing accommodation and support to some of our most vulnerable residents.

Over the last 12 months we have:



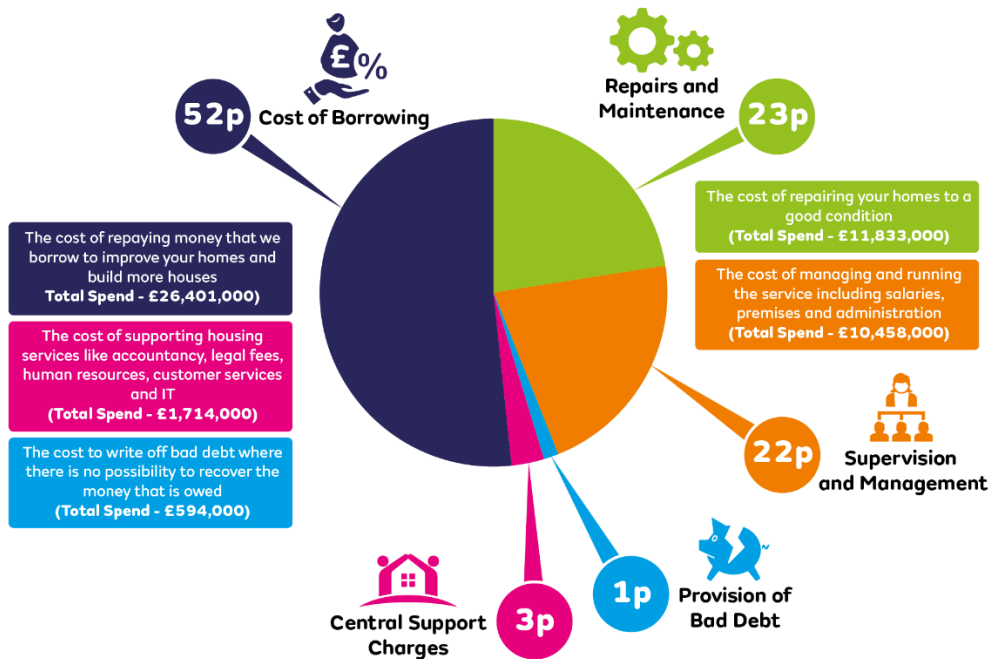
- Completed and let 114 new build homes at Maespiode in Llandybie, Gwynfryn in Ammanford, Glanmor Terrace in Burry Port, Garreglwyl in Pembrey and Dylan in Llanelli
- Made available 37 supported units of accommodation (independent and shared) to clients with learning disabilities and mental health, lowering the overall costs to social care budgets
- Continued to provide temporary accommodation to individuals and families threatened with homelessness and reduced the use of Bed & Breakfast accommodation
- Provided additional support and well-being services to vulnerable households
- Continued with our voids, repairs, maintenance, servicing and adaptations programmes



- Published the new Housing Regeneration and Development Delivery Plan which outlines our plans to support the delivery of over 2000 new homes over the next 5 years
- Conducted a new STAR tenant satisfaction survey
- Completed the Decarbonisation Optimised Retrofit Programme (ORP 1) with WG and been successful in securing grant funding to do further pilots on ORP 2
- Completed a research programme with Cardiff University to model and develop our Decarbonisation Strategy and implement a new Asset Management System
- Maximised our income through successful grant funding bids including Integrated Care Fund, Land Release Fund, Social Housing Grant, Land and Buildings Development Fund and IHP Optimised Retrofit Grant.

The following sections will provide the context and detail of what we plan to deliver over the next three years. This includes how we intend paying for it and the wider benefits of the investment programme. We will cover FIVE key themes that have been identified that will drive our business for the next three years.

What your rent was used for in 2021/2022

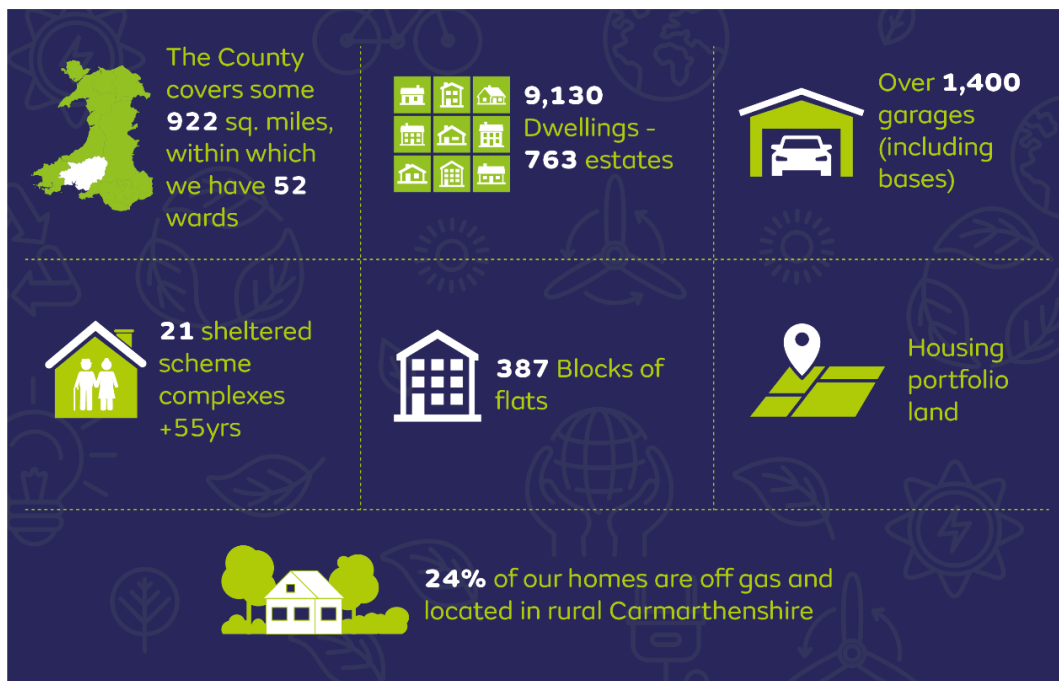


Context

The HRA Business Plan

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

The County is made up of:



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

The Plan outlines the delivery programmes that will enable us to maintain full compliance with the WHQS.

| We will focus on: | |
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| Demonstrating sustained commitment and investment in repairs and maintenance | |
| Appraising options for some of our more uneconomic housing stock | |
| Our new build programme of work outlined in the Housing Regeneration & Development Delivery Plan | |
| Decarbonising our existing housing stock by carrying out a retrofit programme of work that aligns with cyclical maintenance | |
| Getting value for money, good quality workmanship and making sure that our suppliers share our values | |

We will invest nearly £57m in our existing homes over the next three years. £7m will be used directly to meet our net zero carbon ambitions, making our homes energy efficient and reducing costs for our tenants. The plan has a revenue provision of £39m for repairs and maintenance and over £56m will be invested in building new Council homes. Whilst this is an ambitious investment programme and capitalises on additional Welsh Government grant funding, we must be prudent in our spending and consider increased inflation levels and the capacity within the building sector to deliver our programmes.

Approach to managing assets

Our approach goes beyond repairs maintenance and improvements. It is based on looking at the whole life of the homes and the tenants that will live there. It also makes sure that these homes are in the right location, are affordable and are of a high quality. Applying an effective asset management strategy will help us continue to achieve this. It will go beyond general component compliance, ensuring value for money, and how running cost will affect tenants.

| Underpinning this are the following principles: | |
|--|--|
| Communication & Engagement | Engage with tenants, stakeholders and members and meet aspirations and priorities. It is important that we communicate with our tenants before, during and after the work has been completed and learn from their experiences |
| Stock Condition & Verification | Assess the condition of our stock regularly to inform our cyclical work programmes, linked to decarbonisation measures and review/ revisit any homes that do not meet the CHS+. We will plan the work in a way that reduces the embodied carbon in our activities. |
| Risk Reduction | There will be legislative changes from time to time particularly around building safety, health impact and general building regulations. We will respond and adapt to these changes and align our work programmes. |
| Responsive Repairs | Responding to unplanned failures in homes is critical to our services, for tenants and to avoid further deterioration or disrepair to the building or its components. We will respond to any reported defects within the agreed timescales, prioritised by urgency. However, by carrying out general annual checks on our homes and identifying any issues we will be able to reduce the need to respond to any unplanned repairs. |

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| Empty Council Homes (Voids) | We will bring empty homes back into use quickly and efficiently. This will help alleviate the demand on front line homelessness services, maintain standards and lower void loss from missed revenue. In 2022/23 we will carry out a robust review of our letting processes to ensure that there is capacity within the contractor frameworks to turn around empty homes quickly. |
| Improving Communities & Estates | Taking opportunities to carry out environmental estate improvements that are strategically targeted, will improve our neighbourhoods, community cohesion and create a sense of place. |
| Procurement | Our procurement strategies ensure value for money and where possible use local suppliers or contractors to stimulate the local economy, develop skills and talents for future generations. We also look to ensure that suppliers share our values including the need to reduce their carbon emissions. |

The Compliance Policy (Appendix E) shows how we will achieve this, through allocating adequate resources to maintain the standard, a robust asset management system, verification of the data and validation to ensure cost certainty over the 30 year financial model.

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

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| Homes | <p>Every year there are a small number of homes that need major work where the previous tenants have declined the CHS works, or where inherent structural defects are identified. We will monitor these and intervene appropriately.</p> <p>Before committing to do the work, we need to ensure that the cost of work is proportional to the value of the property and demand for housing. For consistency, extensive work programmes, for one or more homes, will be assessed based on the Most Satisfactory Course of Action (MSCA). This will allow us to establish the net value of the homes over a 30-year period and whether we should invest further.</p> |
| Garages | We have been gathering information on the types of agreements used and the condition of garages, by establishing who uses the garages and bases. Our intention is to standardise agreements and charges and consult owners and leaseholders on future options for garage sites including repairs or even demolition if they are unsafe, unused or would have a positive impact on the surrounding area if the land was used for something else. |
| Land | <p>We own 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 and meeting the Councils wider strategic regeneration priorities.</p> <p>We may sell land which we have no use for and is costly to maintain. The capital receipts from sale(s) will contribute to maintaining our stock.</p> |
| Sewage Treatment Works | We currently have 15 treatment works serving 154 homes and 8 septic tanks. We have, conducted an options appraisal of all of the sites within the last 6 months which has generated a programme of remedial works that will comply with licence discharge conditions. As part of this process, we will revisit the charging arrangements for tenants and private homeowners benefiting from the treatment works and monitor the ongoing maintenance of these facilities |

Theme 1 – Supporting Tenants and Residents

The commitment and support of our tenants and Members is important to us, to ensure that we maintain, improve and expand our housing stock in the future.

Tenant and resident engagement and communication



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.

Tenant and community engagement have always underpinned the delivery of our services, but we want to do more. We want to get better by engaging as widely as possible and with those that don't usually take part, to maximise opportunities and help build stronger communities.

We strongly believe we should give our tenants the opportunity to influence decisions about their homes, the area where they live and ensure that the services they receive provide value for money. We will do this by:

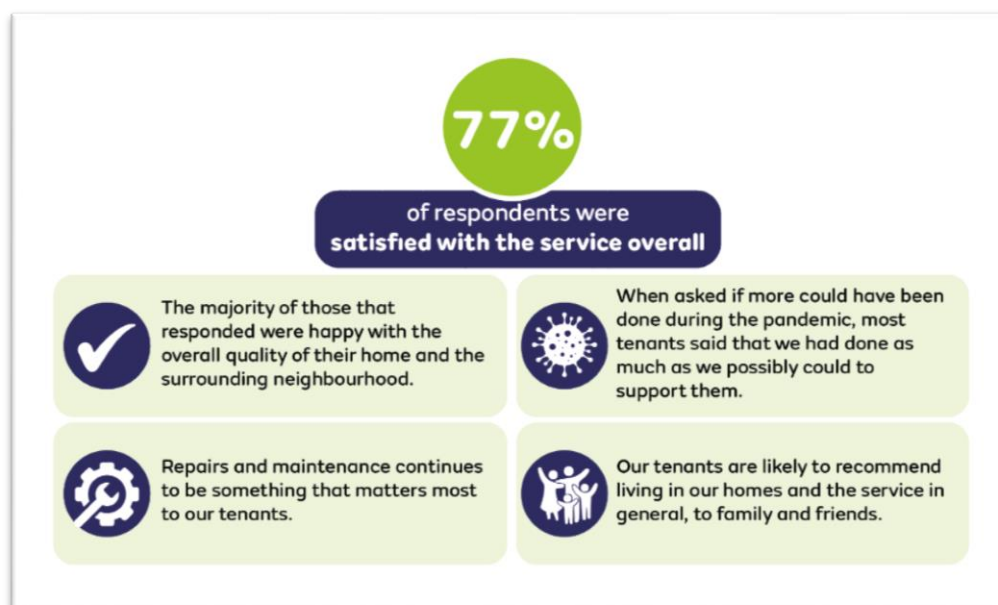
- Engaging with our tenants daily on an informal basis. Our Housing Officers will talk to tenants to understand their needs and views in their homes and in the community.
- Having tenant and community event days where tenants and residents can share their views whilst participating in community activities.
- Providing digital platforms that are safe and secure for tenants to raise concerns, give ideas or promote events that involves their community

Impact of Coronavirus.

Covid 19 has impacted significantly on a many of our activities and the way we engaged with our tenants. Events and projects had to be postponed during the lockdown periods last year until a time that they were safe to resume. Over the past year we have found new digital ways to communicate with our tenants. We have ensured that our new communication method suit our tenants and where possible we have resumed face to face contact.

What are our tenants telling us?

In October 2021 we undertook a new tenant satisfaction survey. In total, 1,938 tenants took part in the survey, which represented a 26% response rate overall. A third of the total number of responses were collected online (660) compared to a quarter of responses received in the last survey and 47 surveys were completed in Welsh (2%).



Generally, our satisfaction rates were greater than the average for other stock retaining authorities and equal to other registered social landlords. Satisfaction in responding to repairs and carrying out works was also comparable. Listening and acting on tenants' views is something that we would like to improve on.

What happens next?

- Gain a better understanding of differences in satisfaction rates from the STAR survey
- Develop new ways to include and engage with younger people and families
- Engage with tenants on our plans to decarbonise their homes
- Continue with the roll out of the time-banking platform "Connect to Carmarthenshire"

Responding to Universal Credit & Covid 19

Universal Credit (UC) was introduced in Carmarthenshire in 2018 and replaced six legacy benefits including Housing Benefit. We currently have 2394 tenants on Universal Credit and a further 3154 that could transfer across. How tenants on UC currently pay their rent is shown in Appendix B.

When UC was first introduced in Carmarthenshire, we anticipated a significant increase in rent arrears in the short to medium term based on other Local Authority experiences. The pandemic will have also affected the way working families or individuals pay and we have allowed for this within this plan through bad debt provision. However, we are not experiencing the same trend as other

stock retaining Authorities and there has only been a slight increase in rent arrears overall compared to the same time last year. We will continue to monitor this and take appropriate measures to mitigate the impact of UC and Covid in 22/23. This will be particularly important following the removal of the twenty-pound uplift introduced during the Pandemic.

Our pre-tenancy service also helps new tenants understand what they need to do to sustain their new tenancies. We support tenants by ensuring that they are financially stable, helping them with applications, setting up direct debits and/or providing furniture or white goods to mitigate the impact on their household income and lowering the risk of them falling into debt at the start of their tenancy. Our aim is to ensure that tenants are 'set up' well from the start of their tenancy.

Theme 2 – Investing in Homes and our Estates

In 2015, we completed the CHS programme of works to all homes where tenants had agreed to the work- well before WG's target of December 2020. This is in line with our agreed assumptions that the standard of our homes will be of standard and replacement programmes will be based on condition, not time. This year we will review the standard to ensure that it embraces decarbonisation, affordable warmth and meets the diverse needs of our tenants.

Maintaining the condition of our Housing Stock

Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Maintaining the standard is a statutory duty, and the Council has made a commitment to achieve and maintain the standard of our housing stock. The standard is contained in the Compliance Policy in Appendix E. Critical to this work programme will be undertaking a stock condition survey for all housing assets so that we can plan for the replacement of elements and components when they fail rather than on the time from when they were first installed.

Our on-going consultation has identified six key areas of work:

| Work Area | Context | Action |
|--------------------------------|---|---|
| Repairs and Maintenance | Effective and timely maintenance, consistent service, maintaining homes to a high standard and continuing to improve the housing stock | <ul style="list-style-type: none"> • Advising tenants how quickly we can carry out the works when they report minor repairs • Carrying out repairs in the timescales we have agreed or at a time that is more convenient for the tenant • Introducing an appointments system for our urgent responsive repairs service, using mobile technology • Introducing an automatic scheduling of repairs system |
| Internal Works | For internal components such as kitchens, bathrooms, electrical upgrading and central heating, we replace components when they are in disrepair | <ul style="list-style-type: none"> • Contacting tenants who have previously declined works • Ensuring homes have the appropriate smoke alarms, heat detectors or carbon monoxide detectors, and agree with tenants how we can upgrade these components to protect their safety |
| Servicing | We assess the condition of our gas, oil, electric and solid fuel appliances and meet our statutory servicing obligations. Protecting the health and well-being of our tenants by ensuring that all homes are fitted with fully compliant electrical | <ul style="list-style-type: none"> • Continuing our annual programme of safety checks on gas fires, and gas or oil boilers, and replacing or upgrading where necessary with energy-efficient appliances • Inspecting smoke, heat and carbon monoxide detectors installed in homes. Installing/upgrading where necessary • Gaining access to ensure that the necessary works are completed • Installing servicing timers when we gain access (where a tenant repeatedly refuses access), to help protect lives |

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| | systems, including hard-wired smoke and carbon monoxide (CO) detectors | |
| External Works and the Environment | Our homes are in a good condition and we aim to achieve economies of scale by replacing components in disrepair; including the rendering and roofing upgrading/replacement programmes and improving the estate environment around our tenants homes | <ul style="list-style-type: none"> • Continuing to review and update our annual roof and rendering programmes to include external wall insulation (EWI) • Working with a range of partners to identify opportunities to install low carbon technologies to our homes • Continue our programme of replacing structural boundary and retaining walls • Ensuring sheds/ outhouses, gardens, paths and fencing meet our standard |
| Empty Council Homes (Voids) | Our aim is to let empty Council homes as quickly as possible, striving to meet customers' expectations, reduce rent loss and reduce the pressure on front line homelessness services | <ul style="list-style-type: none"> • Completing individual options appraisals if homes are no longer fit for purpose • Making sure that homes are maintained and repaired to our standards, together with making sure gardens are clear of rubbish • Make empty properties available for letting as quickly as possible • Ensuring every new tenant receives relevant information and certification about their new home |
| Improving Standards | Tenants have told us they want a standard that continues to evolve | <ul style="list-style-type: none"> • Engaging with tenants on our Decarbonisation Strategy and ensuring they become fully involved on planning the improvements to their homes • Giving tenants a say through single-issue meetings, digital participation and challenge panel • Developing an energy savings programme and ensure we have robust Energy Performance Certificate (EPC) data to inform future work programmes • Providing adaptations for our tenants to meet their needs and maintain their independence • Meet the needs of households on the Accessible Housing Register (AHR) through conversion or where an empty Council property with existing adaptations is matched to a new household • Evaluating the results of the pilot study on the treatment of lichen and algae growth on affected homes and determining a suitable remedy • Investigating the costs of external works such as gutter clearance and external high-level cleaning on homes |



The detail of the type of work to be completed in 2022/23 can be found in Appendix D. This includes works (capital & revenue) that weren't completed in 2021/22 because of the pandemic and have been brought forward to 2022/23.

Risk Reduction Measures

Approach to fire management - Following a review of fire risk assessments to our purpose-built blocks of flats and sheltered schemes, we have identified improvements to be made and an action plan has been developed. This provides a record of present risks, defects identified and the remedial action to be taken in a defined period. The risk assessments are monitored by the Housing Stock Investment and Decarbonisation Working Group, as set out in our governance structure. A work programme has been developed to improve the detection systems within these blocks of flats, the means of escape and the compartmentalisation of flats in the event of a fire.

Radon Testing Programme - Following guidance issued by the WG and Public Health Wales, we have started a programme of radon testing in all our homes located in areas where there is a greater probability of high radon levels. Officers from the Council install radon detectors for 3 months to gather data in specific, discreet locations within homes. Remedial action is taken if levels are higher than recommended.

Surge Protection Upgrade - The demand on the electrical systems and consumer units in our homes has increased over time. The introduction of other renewable energy components and electric vehicle charging points in future will place further strain on the systems installed. Surge protection devices (SPD) are being installed which significantly reduce the risk associated with transient over-voltages.

Future Developments and Opportunities

Investing in Sheltered Housing – It is important that the right type of support and facilities are in the right schemes, in areas where older people wish to live and where it is convenient to access

local amenities. As part of our programme, we continue to challenge whether our sheltered schemes will meet the expectations of future residents. We will consider the use of communal facilities and living arrangements and how we manage public health and infection transmission. We will also continue our annual sheltered housing programme of:

- Communal boiler replacement/upgrades making boilers more energy efficient
- Maintaining and servicing lifts
- Transferring lifelines from non-scheme sites to our Telecare service (Delta Wellbeing)
- Introduce broadband and Wi-Fi to all our sheltered schemes so that all tenants are connected

Assisted living solutions for older people – Meeting the housing needs of older people over the next 10-20 years requires a mix of housing models and solutions. 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). The new Pentre Awel Life Science Village in Llanelli will form a test bed for developing innovative housing and care solutions for older people that promotes health and well-being and independence.

Regeneration plans for Tyisha (Llanelli) - We have developed a transformational plan in partnership with the local community to create vibrancy, cohesion and sustainability for one of our most deprived communities. Our plans will develop the area around the railway station to create a gateway into the town centre, provide improved community facilities, re-model the existing housing stock and deliver new mixed-tenure modern homes in the community for local people and key workers. This investment will provide incentives for further development, making the area more attractive. This will help lay the foundations for stimulating the economy and improving the social and economic profile of the area.

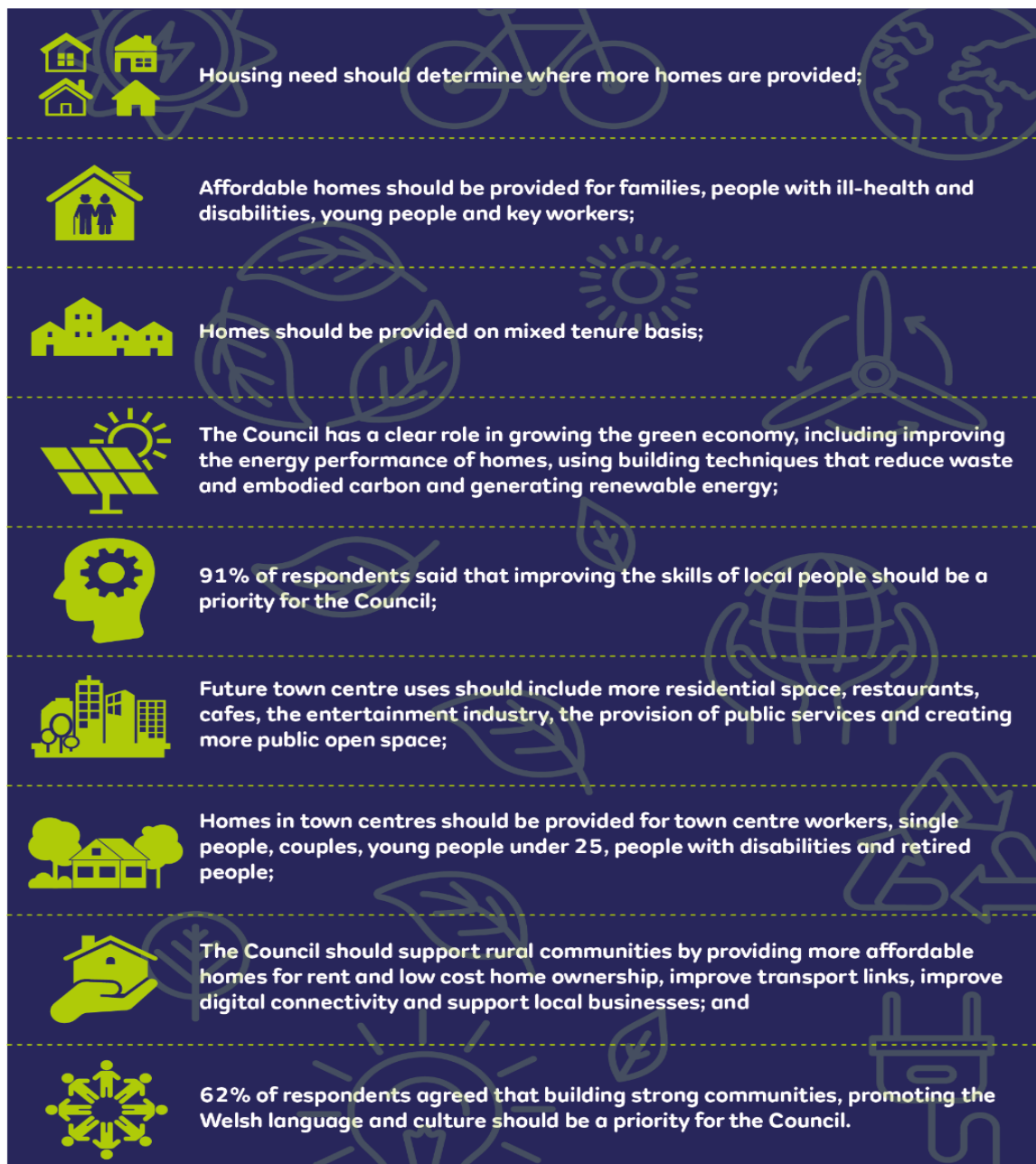
Supported Housing (Learning Disabilities & Mental Health) – Projects are usually commissioned for accommodation and support for individuals or groups of people that have learning difficulties or mental health needs. Through a planned approach and understanding the medium to long term need, we are providing housing that can be used for this purpose and provide an option for transitional care arrangements. By bringing the landlord function 'in house', and commissioning the care separately, we can lower the cost and liability to other services and provide safe, quality and affordable accommodation for our clients. We will redesignate houses within the current stock, purchase additional homes or make homes available on our new build sites for this purpose where a need is identified. We want to offer tenants a choice over where they would like to live and who the support provider is.

Theme 3 – Providing more homes

Increasing the supply of homes in the County has been a key strategic priority for the Council for a number of years. Our plans are ambitious and exciting. They are driven by meeting housing need and play a vital part in stimulating economic growth in all areas of the County, helping our economy and communities become stronger than ever before.

Meeting Housing Need

Meeting housing need has always been our main reason for providing more homes. Our evidence from demographic research and stakeholder consultation confirms that this approach must continue. The key messages from our recent stakeholder consultation undertaken in July 2020 are summarised below:



Housing need can be met in a variety of different ways, according to the needs of the household, their financial position and the opportunities available. Our plans help address housing need in a variety of different ways including:

- Providing more homes for social rent, including homes for general needs households, specialist supported housing for individuals with complex needs and accommodation for older people;
- Providing a choice of mixed tenure assisted living options for older people, including our offer at the innovative Pentre Awel Life Science Village;
- Providing more homes for low cost home ownership helping, individuals and families own their own home;
- Providing mixed tenure developments consisting of social rented, low-cost home ownership and open market homes, offering a real choice of tenures for local people and key workers depending on their individual circumstances;
- Providing more affordable homes for rent and sale in rural towns and villages, helping local people stay in their communities, helping to protect the Welsh language and culture; and
- Increasing the residential offer in the primary towns of Ammanford, Carmarthen and Llanelli, increasing footfall through housing-based regeneration and helping to make our town centres vibrant once more.

Our Approach

Our plans to increase the supply of homes ensure that we do so the most cost-effective way, maximising all external funding opportunities, working collaboratively with partners to support the development of our communities. We do this by using a range of delivery vehicles that offer flexibility, scale and pace, including:

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| New Build Developments | This includes the Council developing new build homes, but it also includes collaborative working with our housing association partners to maximise all regeneration and funding opportunities |
| Private Sector Partnerships | Work with private sector partners to deliver housing solutions at scale and pace that meet the individual needs of an area |
| Empty Homes | Work with private owners across the County to bring empty homes back into use. We also purchase empty homes through the Land and Building Development Fund, releasing the potential of a disused asset |
| Buying Private Sector Homes | Increase the number of homes in the Council's housing stock by purchasing private sector homes for general and specialist housing need e.g., assisted living schemes for learning difficulties, mental health, and older people's housing |
| Section 106 | Secure homes for low-cost home ownership through the planning system on private sector developments in line with the requirements of the Local Development Plan |

Simple Lettings

We work with private landlords to increase the number of homes available for rent through the Council's Simple Lettings Agency by offering a range of different agreements over different terms and timescales.

The additional homes delivered through our plans meet the individual needs of our communities and include houses, bungalows and apartments for rent and sale. Our new build developments follow a clear set of design principles that create new communities that are sustainable, with a real sense of place. They are also energy efficient. Fitted with high levels of fabric insulation and innovative renewable technology, reducing carbon emissions, creating affordable warmth for residents, and following the Council's Net Zero Carbon Principles.

Our Achievements so Far

We published the Affordable Homes Delivery Plan in 2016. This was our first ambitious programme to deliver over 1,000 affordable homes across the County. This plan has now delivered over 1,350 homes exceeding our delivery targets every year as shown in the graph below.



The Journey Ahead

In 2022, we developed our new exciting Housing Regeneration and Development Delivery Plan. This plan is ambitious and sets out our plans to support the delivery of over 2,000 additional homes across the County over the next five years, building on the success of our current affordable housing delivery plans.

This plan will also support economic growth by investing over £300 million into our communities and directly supporting the actions in our Economic Recovery Plan, supporting businesses, people and places.

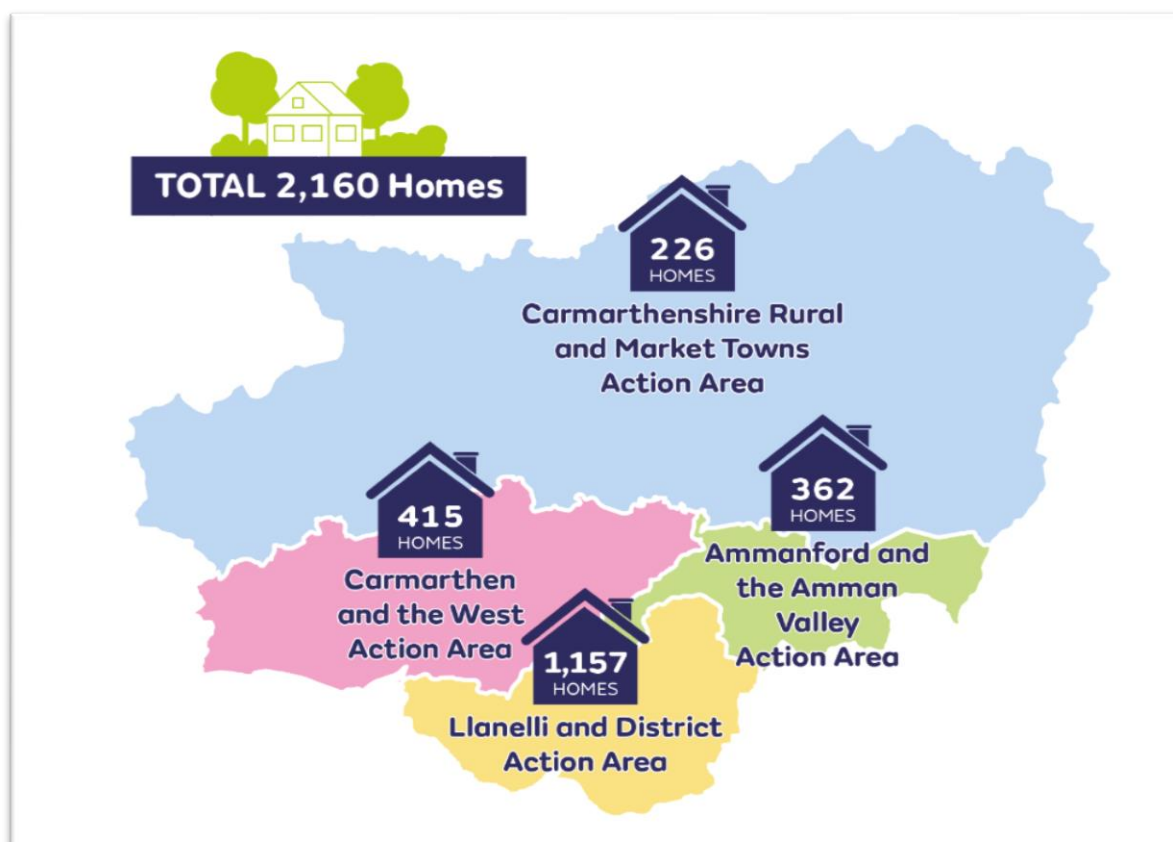
This delivery plan will create opportunities and help transform our County following the devastating effects of the Covid 19 pandemic. It will :

- support the development of strong sustainable communities – places where people want to live and work.
- help grow the local economy and help the County recover from the devastating economic effects of the Covid 19 pandemic;
- understand the needs of our diverse communities, building the right homes in the right places and meeting housing need;
- support some of our most vulnerable tenants through the housing support grant programme;
- create jobs for local people;
- provide affordable homes for young and working aged people to help them remain in the County and benefit from the additional jobs created;
- help maintain our culture and identity especially in rural towns and villages, where we must help ensure that local people are able to afford quality affordable homes and remain in their communities;
- help to maintain and develop our town centres by increasing the residential offer, increasing footfall and helping businesses thrive;
- support the growth of the green economy, the local construction industry and our supply chains; and
- be flexible to ensure that we can respond to changing market conditions, risks and opportunities as they arise.

The current draft programme is shown on page 21. This programme is, however, flexible and will change as new opportunities arise. The programme will be affected by changing market conditions and risks that will affect the viability of some developments. This may result in some developments not proceeding and being replaced by other developments.

This programme is inclusive of the homes the Council will deliver, the homes we will deliver collaboratively with our housing association (HA) partners, and the homes the Council will deliver in partnership with private developers.

Current Draft Housing Regeneration and Development - Five Year Delivery Plan by Action Area (2022 – 2027)



***** This programme is flexible and subject to change due to changing market conditions, risks and opportunities that may arise over the next five years *****

Theme 4- Decarbonising our Housing Stock & Services

Decarbonisation within our Council is a cross cutting theme. This year we will launch our Housing Decarbonisation and Affordable Warmth Strategy in response to the Council declaring a climate emergency, and our ambitious target to become a net zero carbon authority by 2030. The work programmes that follow will help grow the green economy and stimulating economic recovery and growth following the pandemic.

The work we have done previously through the CHS goes some way to improving the fabric and the thermal performance of our homes. However, there is more that can be done which will reduce carbon emissions and make our homes more affordable for our tenants to heat.

Our aim is to make all of our homes energy efficient and reduce our carbon emissions. We will achieve this by bringing all of our Council homes up to a Band A Energy Performance Rating as quickly as possible. It is likely that the new WHQS, due to be released in early 2023, will require all social housing landlords to meet a minimum energy performance level of SAP 92 (EPC Rating A) for their stock.

Our Strategy will outline how this can be done, the challenges ahead and the other wider benefits for our communities, including:

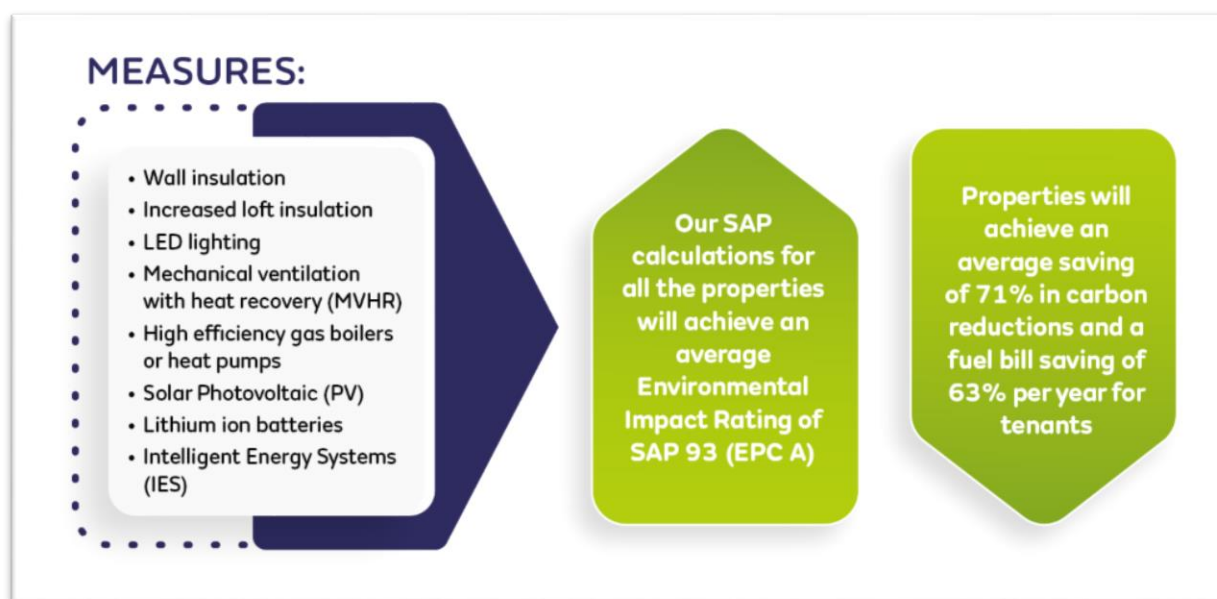
| | |
|--------------------------------|---|
| Existing Homes | We have profiled our existing stock, in terms of component characteristics and performance. This provides our baseline of data to build on. We must now focus on stock condition so that we can align our repairs and maintenance programmes with our decarbonisation and affordable warmth programmes. Our average SAP Rating is currently 66 (EPC Rating D). Most of our homes have gas central heating systems with just under quarter of our stock having oil central heating systems. Our aim is to move away from fossil fuels, say 'good by' to gas and replace them with low carbon heating and renewable energy solutions. |
| Our Approach | Our approach is based on strong principles and basic design standards to transform our housing stock. We will aim to bring our housing stock up to a minimum SAP rating of 92 (EPC Rating A) or get them carbon ready for when the national grid is improved. We will do this by being innovative and flexible, maximising all external funding opportunities and piloting different solutions. Doing the work at the right time, is crucial. We must align this work with our cyclical maintenance programmes and the works required to let empty council homes. |
| Council New Build Homes | Our ambitious plans to support the delivery of over 2000 homes in the next 5 years will include developing innovative energy efficient homes with low levels of carbon emissions. Our new build Council homes are highly efficient and already achieve SAP ratings of between 92 and 105. Through our future plans we will encourage our partners to build to similar energy efficient standards, using modern methods of construction (MMC), innovative technology and the use of natural and local products. |

| | |
|-------------------------------------|--|
| Supporting our Tenants | Tenant and community engagement will underpin our strategy and the delivery of the work programmes that follow. Our priority is to ensure that the promoting affordable warmth is one of the key drivers of decarbonising our homes. Our existing housing stock will need to achieve a similar standard to our new build homes. This will ensure that existing and new tenants all benefit from well heated, comfortable homes with low energy bills. We will provide support and guidance to our tenants to ensure that they are able to maximise the benefits from their energy efficient homes which will also help improve their health and well-being. |
| Housing Management | During the Pandemic, we've witnessed how our workforce can adapt to a new way of working and continue to deliver a service in an effective way. We will continue to look at our day-to-day activities, that are necessary to manage our stock and tenancies so that we continue to reduce our carbon emissions. |
| Collaboration & Research | Collaboration and research on a local, regional and with WG on a national level is essential to drive innovation and creativity. This will ensure that our homes and building practices continue to evolve. We will continue work with academic institutions to enhance our thinking on retrofit and new build standards, the workforce required to do this and how we can try to anticipate future changes to the energy network. Our work to date with the Welsh School of Architecture at Cardiff University and the Active Building Centre in Swansea University on new build homes and retrofit has helped us lead the housing decarbonisation agenda in social housing in Wales. |
| Embodied Carbon & Waste | Our aim is to adopt a more circular approach by purchasing and reusing buildings, use local products and workforce, minimise waste and recycle materials where possible. Our commitment goes beyond just making our homes efficient. We want the companies we employ to do the same, lower their carbon footprint and share our values. |
| Supporting the Green Economy | Our ambitious development programme for new build homes over the next 5years, investing in renewable technology and upgrading the thermal efficiency of our existing homes will create local jobs and support local business to maintain or expand their workforce. This strategy can offer more than just creating or safeguarding jobs in the County. By improving the thermal efficiency of our homes and making them more affordable to heat, our tenants will have more disposable income to spend locally contributing to the prosperity of our communities and directly supporting the actions in the Councils Economic Recovery Plan. |

Progress so far

We have not allowed the pandemic to slow our progress on understanding how we can improve the energy performance of our homes and what retrofit measures are necessary. Whilst we haven't been able to work on occupied houses, we have been able to carry out a detailed programme of works on a sample of empty Council houses that represents the most predominant architype within our housing stock - semi-detached houses, built between 1945- 1964. This is particularly important because the work that has been done on these properties, with minor variations, could be scaled up as we develop our future work programmes. Whilst the properties have all been built the same, they do differ and were selected because some were off gas, some had existing renewable technologies and some had been extended.

A summary of what we did and achieved:



To improve our learning and expand on the work that we have done with WG on the Optimised Retrofit Programme, we will progress the following pilots:

| | |
|--|--|
| Y Bwthyn | <p>We propose to develop a retrofit model for 6 blocks of flats at Y Bwthyn. WG have had difficulty in finding a solution for this type of building that also has different tenure types. This aligned with our cyclical maintenance programme provides an answer that could be replicated across our own stock and for other social landlords. The scheme provides an opportunity to go over and above the general planned works intended for the buildings to make it fit for our tenants to live in and integrates an optimised retrofit programme that can be done at the same time to minimise waste and embedded carbon. It will also provide learning on how we engage with tenants and more particularly leasehold owners. We will look to see how we can include high insulation levels, low carbon heating and renewable energy technologies that will significantly lower the environmental impact from carbon emissions. It also provides an opportunity to extend the programme into other buildings and land within the area surrounding Y Bwthyn.</p> |
| Coleshill Terrace | <p>2-4 Coleshill Terrace is an exciting project that offers a range of benefits. It is a conversion of existing buildings to 8 supported units of accommodation for people with learning disabilities and mental health in Llanelli Town Centre.</p> <p>The scheme is currently under development and offers an optimised retrofit solution to flats and shared accommodation for clients with low to moderate needs. The retrofit measures will reduce carbon emissions, provide affordable warmth and allow the residents to live independently.</p> |
| Replacement of non-compliant boilers with Hybrid Heat Pumps | <p>This is pilot scheme for the replacement of E grade boilers that have/will be falling out of compliance within the next 12-18 months due to age or component failure. The scheme offers a solution to replace these boilers with low carbon heating systems and IES monitoring systems which optimises our approach to decarbonising homes without undertaking a deep retrofit at this stage. Other decarbonisation works (fabric insulation & renewables) will be considered at a later in line with our cyclical maintenance programmes.</p> |

Theme 5 – Local Economy, Community Benefits and Procurement

We recognise the importance of this Plan and its role across the wider capital investment programme to stimulate, support and develop the local economy. To support the Economic Recovery Plan, we will be looking to further develop the Council's approach to procurement to maximise our contribution to local economic growth, focusing on social value and building sustainable communities. Our aim is to grow different economy sectors within the housing and building industry so that they and other local business benefit and thrive. It is therefore important that our investment plans:

- contribute to long term economic growth across the County
- are sustainable in future years as we continue to invest and maintain our homes
- enable local businesses, construction and manufacturing industries to develop, grow and lay down strong roots
- keep the pound local, benefiting our economy and contributing directly to the prosperity of our County and its residents
- create new jobs and training opportunities for local people

As we move forward with our recovery plans, the stock investment and the Council new build programmes will provide sustained periods of trade and benefit local contractors and builders. This will create more jobs, training opportunities and other community benefits. The Housing Regeneration and Development Delivery Plan has a direct focus on providing more homes in town centres and rural areas, having a direct impact on business and commerce in these areas.

The decarbonisation of our homes will also become a fundamental part of our future stock investment programmes. Rolling this out across our entire housing stock will result in increased job opportunities and further training opportunities as we explore new ways of providing low carbon, energy efficient homes for our tenants. A significant proportion of the Councils housing stock is in rural market towns and in rural areas. Encouraging small to medium enterprises (SMEs) to participate in those areas will help with local employment and allow young people to stay in the community where they want to live.

Our procurement strategy aims to develop our programmes using local contractors and suppliers to stimulate the local economy. Where this is not possible initially, because of limitations on the supply and availability of local skills (e.g. homes built using Modern Methods of Construction (MMC)), we will learn from these projects and put measures in place (close the gaps) to ensure that the skills and work force needed is available locally. We will also influence this through the Regional Skills and Partnerships workstream and through expanding our own direct employment of staff to deliver work programmes alongside the private sector, including appointment of apprentices and supporting local shared apprentice programmes.

In 2021/22 the HRA investment programme delivered the following community benefits:



During construction, contractors will contribute to the wider local economy by increasing footfall into the town centre and spending money in rural market towns/villages by accessing local amenities such as shops, supermarkets, restaurants and cafés. This increased footfall in town centres will help compensate for the reduced use of the town centre commerce during the pandemic as local offices remain empty as we look to 'better ways of working'.

It is however, extremely important that all contracts demonstrate good value for money and through the Regional Contractors and the Minor Works Framework we will challenge their costs, the principles and methods of construction to make sure that we achieve this. We will also look to keep the workforce as local as possible and benefit the local economy by including 'environmental benefits' in a tender or contract and insisting that contractors demonstrate how they will reduce their carbon emissions.



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 our housing stock. A reduction in MRA levels would be detrimental to future investment plans.

Planning Assumptions

To help us plan our investments, we must make certain assumptions. Changes to our assumptions may mean re-visiting 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> | £6.2m each year. This is on the basis that we receive an average of £682 per home. | |
| Rent increase 2022/23 | Welsh Government have set the maximum rent increase for 22/23 at 3.1% because the Consumer Price Index sat outside the 3% threshold which gives social landlords the discretion to set their own maximum rent no greater than CPI plus 1%. We have limited the rental increase to 2.9% overall with a maximum £1 progression for those tenancies below target rent. Most tenants will receive a 2.7% average rent increase which is significantly below level set by WG and current inflation values. | |
| Future rent increase levels <i>Based on Welsh Government Policy</i> | 3% from 2023/24 for 2 financial years. Then reduced to 2% pending revised rent policy from WG. | |
| Borrowing and direct revenue financing (DRF) | Borrowing £48.7m and utilising £30m DRF over next 3 years to maintain our housing stock and develop new homes. | |
| Expenditure/income inflation | Employees' pay at 4% for 2022/23 as per the council fund, general inflation at 4% | |
| Right to Buy receipts <i>i.e. Money we get from tenants' buying their home</i> | 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 £4.5m (based on £150 per property) | |
| | | |
| SPENDING | | |
| Assumed Borrowing costs <i>i.e. the amount it costs to borrow money</i> | Cost of existing and new debt: 2022/23: 3.93% And future years | Cost of exiting HRAS: Average of 4.15% |
| Provision for Bad debt <i>i.e. debt that we will be unable to recover</i> | 2022/23: £594K 2023/24: £606K 2023/24: £619K | |

| CAPITAL PROGRAMME | Budget 2022/23 (£000s) | Budget 2023/24 (£000s) | Budget 2024/25 (£000s) |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| Maintaining the Standard: | | | |
| All Internal Works | 3,307 | 2,527 | 2,617 |
| All External Works | 3,000 | 2,000 | 2,000 |
| Voids and Major Works to homes | 7,200 | 6,500 | 5,500 |
| Structural works - Estates and boundary walls (inc. identified structural works) | 1,300 | 2,000 | 1,000 |
| Decants | 150 | 150 | 150 |
| Support Tenant and Residents: | | | |
| Sheltered Scheme Investment | 900 | 500 | 500 |
| Assisted Living Projects | 704 | 350 | 350 |
| Adaptations | 2,000 | 2,000 | 2,000 |
| Environmental Works & Garages | 450 | 400 | 400 |
| Providing more homes: | | | |
| Housing Development Programme | 17,323 | 20,977 | 18,150 |
| Decarbonisation: | | | |
| Works to Deliver Decarbonisation | 2,931 | 2,515 | 1,973 |
| Support the delivery of CHS+: | | | |
| Programme Management | 669 | 682 | 696 |
| Stock Condition Information | 387 | 387 | 387 |
| Risk Reduction Measures | 2,370 | 864 | 285 |
| Sewerage Treatment Works | 20 | 20 | 20 |
| TOTAL | 42,711 | 41,872 | 36,028 |
| | | | |
| SOURCE OF CAPITAL FUNDING | Budget 2022/23 (£000s) | Budget 2023/24 (£000s) | Budget 2024/25 (£000s) |
| Welsh Government Grant - MRA | 6,225 | 6,225 | 6,225 |
| External Grant Funding – IHP, SHG, ICF & Other Grants | 9,134 | 7,608 | 6,500 |
| Direct Revenue Financing | 10,000 | 10,000 | 10,000 |
| External Borrowing | 17,352 | 18,039 | 13,303 |
| TOTAL | 42,711 | 41,872 | 36,028 |

| REVENUE PROGRAMME | Budget 2021/22 (£000s) | Budget 2022/23 (£000s) | Budget 2023/24 (£000s) |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Repair and Maintenance of Homes | 12,318 | 12,918 | 13,500 |
| Supervision and Management | 10,125 | 10,362 | 10,607 |
| Support Services e.g. Legal and Finance | 1,776 | 1,813 | 1,851 |

| | | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Provision for Bad debts | 594 | 606 | 619 |
| Direct Revenue Financing | 10,000 | 10,000 | 10,000 |
| Capital Charges | 14,884 | 15,694 | 16,423 |
| TOTAL | 49,697 | 51,393 | 53,000 |
| SOURCE OF REVENUE FUNDING | Budget 2022/23 (£000s) | Budget 2023/24 (£000s) | Budget 2024/25 (£000s) |
| Tenant Rents | 43,450 | 45,665 | 48,036 |
| Service Charges | 816 | 841 | 867 |
| Interest Received | 6 | 5 | 4 |
| Housing Finance Grant 2 | 246 | 246 | 246 |
| Water Rates Commission | 348 | 359 | 370 |
| Grants / Other | 1,433 | 1,520 | 1,588 |
| TOTAL | 46,229 | 46,636 | 51,111 |
| Difference between 'Revenue Funding' and 'Revenue Spending'* | -3,398 | -2,757 | -1,889 |

| | | | |
|--|---------------------------------------|---------------------------------------|---------------------------------------|
| HRA END OF YEAR POSITION: | Budget 2022/23 (£000s) | Budget 2023/24 (£000s) | Budget 2024/25 (£000s) |
| Balance brought forward from last year | 14,324 | 10,926 | 8,113 |
| HRA budgeted difference * | -3,398 | -2,757 | -1,889 |
| BALANCE CARRIED FOWARD | 10,926 | 8,169 | 6,280 |

*N.B. + is a surplus in revenue funding over spending and – is a deficit/ shortfall in revenue funding over spending

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 about inflation, pricing and availability of workforce (Covid 19 and Brexit), to inform the 30-year cost certainty exercise
- The impact of balancing investment in maintaining the existing standard, introducing new measures to support decarbonisation and continuing to deliver our ambitious housing regeneration and development programme.

All risks are monitored by the Housing and Regeneration Strategic Team.

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 failure 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
- Physical constraint

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

Energy Efficiency

We have had several different programmes running to improve the energy efficiency of homes. These programmes have helped save tenants money on their heating costs and improve the energy performance ratings of their homes. The average SAP level across our stock is 66 out of 100 which meets the current requirements of the WHQS. The new WHQS is likely to require our housing stock to reach a SAP level of 92 (EPC rating A).

Independent Verification

We believe that we report compliance accurately in achieving and maintaining our Housing Stock, 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 improving stock condition
- 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

- 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.