

Housing Revenue Account Business Plan 2023-26

Carmarthenshire's Housing Investment Programme



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Welsh Government

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Contents

<i>Foreword by our Cabinet Members</i>	<i>3</i>
<i>Introduction</i>	<i>5</i>
<i>2022/2023 Achievements</i>	<i>6</i>
<i>What Your Rent was Used for in 2022/2023.....</i>	<i>7</i>
<i>Context.....</i>	<i>8</i>
<i>Theme 1 – Supporting Tenants and Residents</i>	<i>11</i>
<i>Theme 2 – Investing in Homes and our Estates</i>	<i>17</i>
<i>Theme 3 – Providing More Homes</i>	<i>22</i>
<i>Theme 4- Decarbonising our Housing Stock</i>	<i>27</i>
<i>Theme 5 – Local Economy, Community Benefits and Procurement</i>	<i>32</i>
<i>Funding and Risk Management.....</i>	<i>35</i>
<i>Compliance, Verification and Monitoring</i>	<i>38</i>

Foreword by our Cabinet Members

To be inserted



Cllr. Linda Davies Evans
Deputy Leader & Cabinet Member for
Homes



Cllr. Alun Lenny
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 tenants. WG set a target for all social landlords to improve their housing stock to meet the WHQS 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.

Following the successful delivery of the CHS (and WHQS), we have continued to work with our tenants and external partners to continue to improve and evolve our standards, embracing where possible decarbonisation and affordable warmth measures.

Purpose of the HRA Business Plan

At the start of each year we develop a business plan which explains our vision and the three-year housing investment programmes to maintain our stock and deliver more affordable homes.

It is important that the plan is clear and that all readers, including our tenants, understand its contents. Meeting our tenant's expectations is a key priority within the plan.

The income that we receive from tenants' rents and other funding sources enables us to build an investment programme exceeding £262m (Capital - £103m and Revenue - £159m) to run our services, build more affordable homes, improve and maintain our existing stock as well as develop new standards to meet our net zero carbon ambitions over the next three years.

The plan also reflects on previous years achievements and through careful consideration, confirms the financial profile (based on current assumptions) for housing stock investment and delivery of more affordable homes, over the next three years

To help maintain the investment programme, each year we apply for Welsh Government's (WG) Major Repair Allowance (MRA) grant. We access this funding by having a detailed business plan and compliance policy. The MRA application for 2023/24 will equate to £6.2m.

The plan this year also has a key focus how we plan to:

- support tenants through the current cost of living crisis;
- introduce a new emergency social housing allocation policy to ensure throughput in the system;
- tackle key local issues to improve services especially reducing the number of empty Council homes, dealing with the repair backlog (including our vision and frameworks for in-house and external contractor provision) and making sure our processes are robust for any condensation/damp issues; and

- make sure our estate and tenancy management offer is as good as it can be.

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. Current events are also taken into consideration that directly impact our services and our tenant's wellbeing, such as the current cost of living crisis and the unprecedented housing pressures

Progress against the actions within the plan, associated budgets and strategic direction will be monitored regularly by the Housing Investment & Development 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.

2022/2023 Achievements

The effect of the cost of living crisis in 2022/23 presented difficulties for many tenants across the county. Providing help and support for our tenants to ensure that they can continue to live comfortably in their homes, provide food and other essential items for their family has become more important than ever.

Over the last 12 months we have:



- supported over 594 tenants to maximise their income levels through unclaimed grants and benefits, generating over £926k of additional income and helping to support tenants through the cost of living crisis;
- provided additional support and well-being services to vulnerable households across the county;
- won the MJ award for Best Social Housing Initiative for helping young people to live independently and manage their tenancy;
- developed a new Rapid Rehousing Transition Plan to help people experiencing homelessness find secure, settled self-contained accommodation as quickly as possible;
- continued to deliver affordable homes across the county, exceeding our targets and delivering in excess for 1,600 additional homes since the start of the programme;
- delivered 114 new build Council homes in Ammanford, Burry Port, Pembrey and Llanelli;
- advanced plans for a further 200 affordable homes across the county on developments being developed directly by the Council or by working in partnership with a private sector development partner;



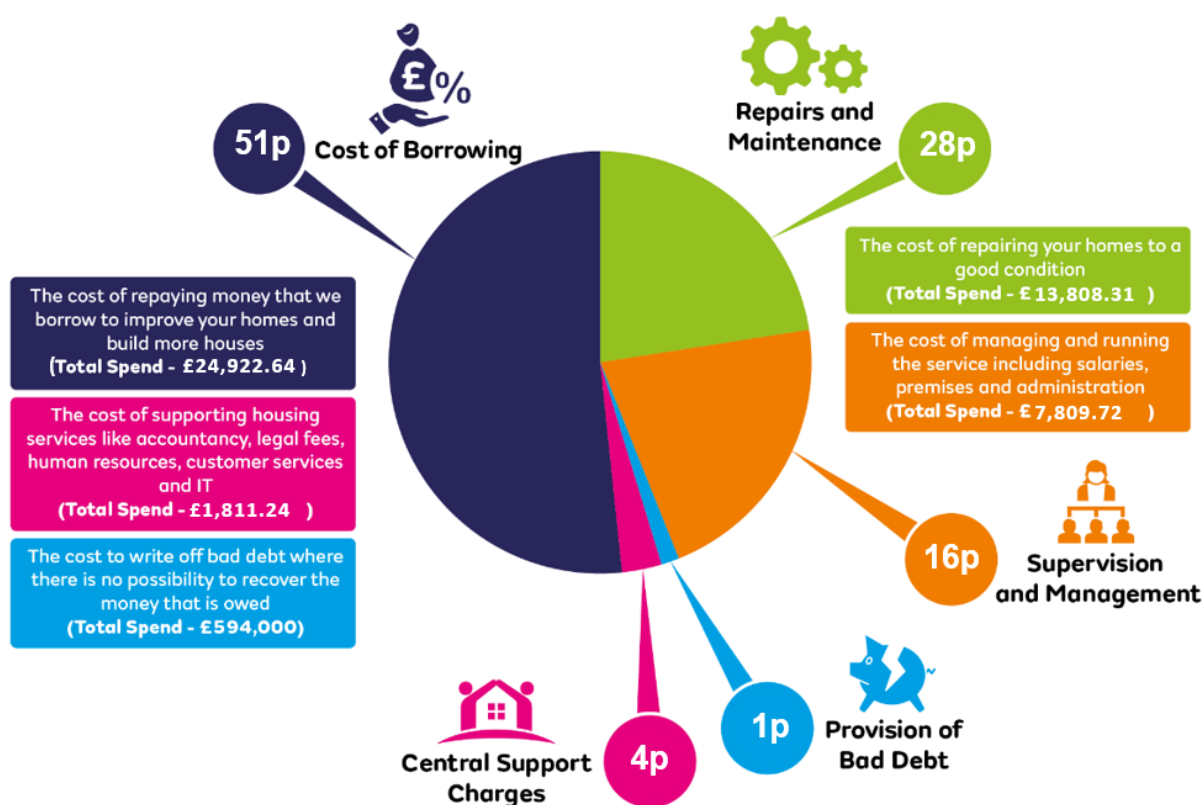


- purchased over 30 homes on the open market, increasing our housing stock quickly and helping to address homelessness in the county;
- created 24 additional supported accommodation units for individuals with learning disabilities and mental health;
- continued to provide temporary accommodation solutions to individuals and families threatened with homelessness;
- reduced the number of Council empty homes to below 300;
- procured a partner to deliver super-fast wi-fi to our sheltered schemes;
- progressed with the decarbonisation programme for the housing stock through the Optimised Retrofit Programme (phase 2 & 3), providing us with crucial data on how best to decarbonise our homes, reduce energy bills and supporting tenants through the cost of living crisis;
- installed a new Intelligent Energy System (IES) within all new build and retrofitted homes, enabling us to monitor the performance of the homes and ensure that tenants are able to use the new technologies installed;
- updated all our processes and prepared new contracts in preparation for the new Renting Homes (Wales) Act;
- conducted an audit of all our CCTV equipment to ensure it remains fit for purpose;
- successfully recruited a new team of stock condition and verification officers that will maintain and update our stock condition information; and
- implemented a new asset management system (CX Assets) that will allow us to model our own housing stock and develop a robust decarbonisation investment programme.

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 will drive our business for the next three years.

What your rent was used for 2022/2023

How every £1 of rent was used

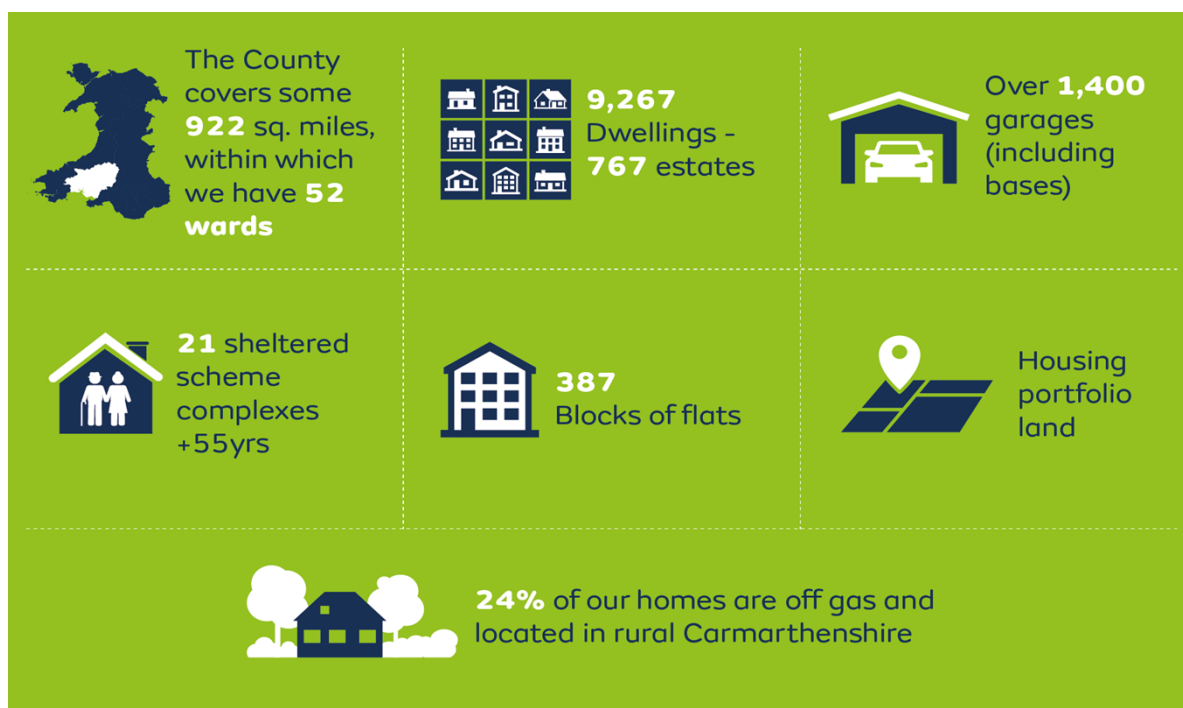


Context

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 plan relates to policies that affect how we deliver our services and looks at wider on-going events that may impact our tenants and how we plan to resolve/mitigate them whilst still delivering our everyday services.

Our county:



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

This plan outlines the delivery programmes that will enable us to maintain full compliance with the WHQS and build upon the work that has already been completed.

We will focus on:
Demonstrating sustained commitment and investment in the repair and maintenance of our homes. This includes dealing with the back log of repairs already reported by tenants.
Developing initiatives that will help tenants overcome the effects of the cost of living crisis.
Continuing to let our empty Council homes as quickly as possible, maximising the number of homes we have available to address housing and homelessness pressures.
Delivering our Council new build programmes and achieving the priorities outlined in the Housing Regeneration and Development Delivery Plan.
Decarbonising our existing housing stock by carrying out a retrofit programme of works that aligns with cyclical maintenance.
Getting value for money, good quality workmanship and making sure that our suppliers share our values.
Increasing housing supply, meeting housing need and increasing the availability of single person accommodation across the county.
Reviewing our sheltered housing schemes to ensure that they remain fit for purpose.
Maximising grant funding opportunities to continue to deliver our new build and decarbonisation programmes at scale and pace.
Maximising the wider benefits of our housing investment, stimulating the economy, creating jobs and training opportunities for local people.

We will invest over £60m 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 fuel costs for our tenants. The plan has a revenue provision of £54m for repairs and maintenance and over £43m will be invested in building new Council homes. Whilst this is an ambitious investment programme which capitalises on additional WG grant funding, it also considers the current financial challenges that face the Council. These include soaring inflation levels in excess of 10%, high energy costs for buildings and fuel, increasing wage bills and the loss of income from the Welsh Water rate collection commission.

Approach to managing our 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 in good condition. 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 helping tenants where possible to overcome increasing costs caused by the cost of living crisis.

Underpinning this are the following principles:	
Communication & Engagement	Engaging with tenants, stakeholders and members and meeting their 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	Continue with our stock verification programme to inform our cyclical work programmes, linked to decarbonisation measures and review/revisit any homes that do not meet our current standards.
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. We will also ensure that we programme in and carry out the backlogged repairs that have accumulated and make sure we have robust processes in place to deal with condensation and damp related issues.
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.
Improving Communities & Estates	We will review our estate and tenancy management offer to further improve our neighbourhoods, community cohesion and create a sense of place that people are proud to live in. We will also work with local contractors to ensure that our greenspaces within our new and existing housing developments are maintained to a high standard.
Procurement	Our procurement strategies ensure value for money and where possible use locally based 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. It is important that we allow a range of suppliers to become a part of our future decarbonisation programmes to ensure we achieve shared learning across the construction industry.

The Compliance Policy (Appendix F) 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 and future needs

Homes	<p>Every year there are a small number of homes that need major work where the previous tenants have either declined the investment works, or where inherent structural defects are identified. We will monitor these and take the appropriate action.</p> <p>Before committing to do any major works, we 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 allows us to establish the net value of the homes over a 30-year period and whether we should invest further or look at alternative solutions.</p>
Garages	<p>We have detailed asset information on the types of agreements used and the condition of our garages, by establishing who uses the garages and/or bases. We will standardise all 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.</p>
Land	<p>We own areas of land across the County. As part of our commitment to affordable housing, we have already identified areas of land that could be used for development, prioritising those in areas of greatest housing need and meeting the Councils wider strategic regeneration priorities. We will ensure that developable land is maintained to safeguard the future development plans for that site.</p> <p>We may sell land which we have no use for and is costly to maintain. The capital receipts from any sales will contribute to maintaining our stock or purchasing additional land for development.</p>
Sewage Treatment Works	<p>We currently have 15 treatment works serving 154 homes and 8 septic tanks. Based on the results of a recent options appraisal a programme of remedial works has been developed that will ensure that all treatment works continue to 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.</p>

Theme 1 – Supporting Tenants and Residents

Recognising the effects of the cost of living crisis for tenants

The cost of living crisis has created hardship for many tenants and vulnerable families in our communities and this situation is unfortunately likely to continue throughout 2023/24. At these difficult financial times it is more important than ever that we provide help and support for tenants to ensure that they feel safe and secure in their homes, increasing income levels where possible and ensuring that they are in receipt of all grants and benefits they are entitled to. We provide advice and financial support to help tenants pay their rent and utility bills, buy food and other essential items for their families. It is also crucial that we continue to ensure that no one is evicted from our homes as a result of financial hardship.

We know that poverty and deprivation is already a real issue affecting many households in Wales and the cost of living crisis has exacerbated this for many families. Poverty rates are also highest in social rented and private rented households, many of whom are in poverty after paying their housing costs alone.



The Joseph Rowntree Foundation describes poverty as -
“Not being able to heat your home, pay your rent, or buy the essentials for your children. It means waking up every day facing insecurity, uncertainty and impossible decisions about money. It means facing marginalisation and even discrimination because of your financial circumstances.”

We know that...

- 35.6% (29,444) of all households in Carmarthenshire are living in poverty. The household income in these homes is less than £19,641 per annum;
- the number of households living in poverty in Carmarthenshire is 1.6% higher than the Welsh national average;
- 31.3% of children in Carmarthenshire are living in poverty;
- the average weekly wage in Carmarthenshire is £566.90, this is significantly lower than the Welsh average (£570.60) and the UK average (£613.10);
- 18% of pensioners in Wales are living in poverty, equating to nearly 1 in 5 people; and
- 11% of adults in Wales are in income poverty.

Supporting tenants through the cost of living crisis

It is crucial that we continue to provide help and support for tenants to ensure that they are able to live comfortably in their homes. We have also agreed to a number of commitments set by the Ministers to ensure that tenants are supported by Social Landlords during these difficult times. These are summarised on page 13.

Commitment	What we will do:
There will be no evictions due to financial hardship for the term of the rent settlement in 2023-24, where tenants engage with their landlords.	<ul style="list-style-type: none"> • We did not evict any tenants during 2022-23 due to financial hardship. • We will continue with our no evictions policy and provide help and support to tenants to help them feel safe and secure in their homes.
Social landlords will continue to provide targeted support to those experiencing financial hardship to access support available.	<ul style="list-style-type: none"> • We have developed an in house pre tenancy service that provides advice and support to tenants prior to them taking up occupation of their new home and for 6 months after, to ensure that they are able to sustain their tenancy. • Housing Officers continue to monitor and support tenants through their tenancy and provide support where necessary to ensure that they are accessing the income they need to pay their rent and manage other household bills.
A joint campaign, encouraging tenants to talk to their landlord if they are experiencing financial difficulties and accessing the support available, will be launched across Wales.	<ul style="list-style-type: none"> • We ensure that our tenants can access services and that there are clear lines of communication available. This is important in ensuring that tenants have the right support at the right time. • Our tenants can access our services through the Corporate Hwbs in our three main townships and we also do outreach work in rural areas. • Where tenants are vulnerable and do not engage well, officers will continue to work closely with support providers and actively campaign to ensure that these households and individuals have the help they need to sustain their tenancies with regular contact.
Social landlords use the rent they receive to increase the supply of homes for some of the most vulnerable people and families in our communities.	<ul style="list-style-type: none"> • We will continue to deliver our ambitious new build programmes that will support the delivery of over 2000 homes in our communities. • We will continue to increase the supply of homes quickly through our buying private sector homes programme for both general and specialist housing need. • We will work with private sector partners to deliver housing solutions at scale and pace that meet the individual needs of an area. • We will buy additional land to support the delivery of more homes in the county.
We know that any increase in social rent may impact those social tenants who pay all or part of their own rent. These tenants, in particular, need to be protected from being placed into financial hardship	<ul style="list-style-type: none"> • We will ensure there are no evictions from our homes due to financial hardship, we will work with tenants to put a plan in place to help them make their weekly rental payments. • We will provide financial advice and support to ensure that tenants claim all the financial assistance they are entitled to. This will include helping tenants apply for the benefits

through trying to cover the costs of keeping a roof over their heads.	<p>and grants they are entitled to, including the Homelessness Prevention Grant.</p> <ul style="list-style-type: none"> • We will do everything we can to support tenants' well-being. Increasing bills and being unable to afford food and other essential items will cause stress and anxiety. We will ensure we support tenants and provide access to local schemes that support mental health and well-being.
Social landlords will help protect and enhance the provision of good quality housing.	<ul style="list-style-type: none"> • We will continue to invest, repair and maintain our homes.
Social landlords have agreed to maximise the use of all suitable social housing stock, with a focus on helping those in the poorest quality transitional accommodation move into longer term homes that meet their needs.	<ul style="list-style-type: none"> • We will continue to ensure our new emergency allocation policy directly matches people in temporary accommodation to suitable permanent accommodation that meets their needs. • We will also continue to increase the supply of single person accommodation by re-modelling some of our three bedroom homes into two bedroom properties with ensuite facilities for use as shared accommodation to help provide a permanent accommodation to single people living in temporary accommodation.
Social landlords will invest in existing homes to keep them safe, warm and affordable to live in.	<ul style="list-style-type: none"> • We will continue to roll out our housing stock retrofit programmes that will make our homes more energy efficient and help reduce fuel bills for tenants. • Bring all of our Council homes up to a Band C Energy Performance Rating (SAP 69 and over) as quickly as possible. • Continue to install new technology to help monitor building performance and the way tenants use the new technology installed in their homes.
Social landlords will participate in an assurance exercise in April 2023 to reflect on the application of the rent policy to date. This will build on the work undertaken by social landlords over the past three years, and inform future work to develop a consistent approach to assessing affordability	<p>We are committed to participate in the assurance exercise and provide any information or help that will promote consistency across the sector and how we assess affordability in light of the current economic pressures.</p>



To ensure our tenants maximise their income and provide financial security for their families, we will continue working with tenants to enable them to claim grants and benefits they are entitled to and help them through the cost of living crisis.

To help tenants we have...

- provided support to over 594 tenants to ensure that they claim all benefits and grants that they are entitled to. This has already generated over £926,000 of additional income for our tenants; and
- helped tenants secure over £218,000 of recurring benefit and grant payments. This will ensure that tenants also receive this additional income in the future.

Tenant engagement and communication

The commitment and support of our tenants and members is important to us. It helps us maintain, improve and expand our housing stock and our services for the future. Tenant and community engagement has always underpinned the delivery of our services, but we want to do more. We want to get better by:

- engaging as widely as possible with tenants, and including those who don't usually take part;
- keeping in touch with tenants about the repairs that are due to be carried out on their homes. This includes when we will carry out the backlog of repairs that have built up, contractor capacity and market failure;
- developing our in house team and developing skills and capacity to carryout housing repairs ourselves; and
- ensuring our tenants have an opportunity to influence decisions about their homes and the area where they live.

We will do this by...



Keeping in touch and supporting tenants

- engaging with our tenants on a daily basis. Our Housing Officers will talk to tenants to understand their needs and views in their homes and in the community;
- implementing Total Connect, a new repairs scheduling service, within the next 12 months. This will help us keep tenants informed about when any repairs are due to be carried out on their homes, ensure that the repairs are carried out at a time that is convenient for tenants and enable tenants to order and track their own repairs ;
- having tenant and community event days where tenants and residents can share their views whilst participating in community activities; and
- providing digital platforms that are safe and secure for tenants to raise concerns, give ideas or promote events that involves their community.

What are our tenants telling us?

1,938 tenants took part in our latest tenant satisfaction 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%).

77%

of respondents were
satisfied with the service overall



The majority of those that responded were happy with the overall quality of their home and the surrounding neighbourhood.



When asked if more could have been done during the pandemic, most tenants said that we had done as much as we possibly could to support them.



Repairs and maintenance continues to be something that matters most to our tenants.



Our tenants are likely to recommend living in our homes and the service in general, to family and friends.

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 even though the delays is still affecting our capacity to carryout responsive repairs and turn around empty Council properties quickly.

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;
- clear the backlog of repairs that have built up;
- implement the new Total Connect system that will improve our responsive repair service and enable tenants to order and track their repairs;
- develop our in-house team so that we can deliver a more effective responsive repair and maintenance service that meets the needs of our tenants;
- increase in-house contractor capacity and skills to carry our repairs to occupied and empty homes by developing a new minor works framework that enable small local contractors work with us;
- continue with the roll out of the time-banking platform “Connect to Carmarthenshire”; and
- prepare for the next STAR survey, which is to be carried out in 2023. This will allow us to determine if we have made progress in the areas tenants have highlighted and what other services we need to improve.

Responding to Universal Credit

Universal Credit (UC) was introduced in Carmarthenshire in 2018 and replaced six legacy benefits including Housing Benefit. We currently have 2730 tenants on Universal Credit and a further 1658 that are due to transition over. How tenants on UC currently pay their rent is shown in Appendix B.

Theme 2 – Investing in Homes and our Estates

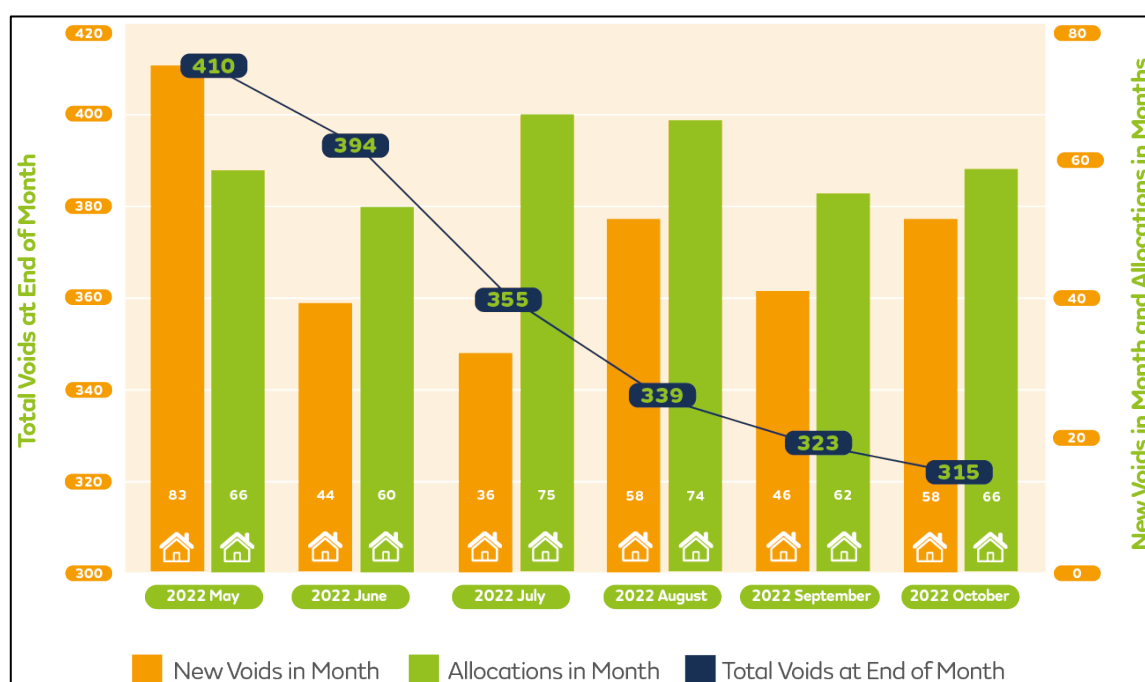
In 2015, we completed the WHQS programme of works to all homes where tenants had agreed to the work- well before WG's target of December 2020. This is in line with our agreed assumptions that all our homes will achieve the standard and future replacement programmes will be based on condition, not time. This year we will continue to review the standard to determine how we continue to move forward with our optimised retrofit and decarbonising programmes.

Maintaining the condition of our housing stock

Maintaining the WHQS standard is a statutory duty, and the Council has made a commitment to achieve and maintain the standard. The standard is contained in the Compliance Policy in Appendix F. Critical to this work is our ongoing stock condition survey for all housing assets. Robust stock condition data will enable us to plan our future programmes for the replacement of elements and components when they fail rather than on the time from when they were first installed.

Carrying out repairs and letting empty Council homes

Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Both the pandemic and Brexit have had a significant effect on the local construction market, causing market failure and affecting the availability skills, capacity and materials. In addition to this, costs escalated. Many of our framework contractors have declined housing repair and maintenance works choosing to prioritise higher paid private sector work instead. This has seriously affected our ability to carry out responsive and maintenance works on our homes. This has caused a significant backlog in both the number of repairs we have outstanding and the number of empty Council homes that have not been let.



The graph on page 18 shows the number of empty Council homes between May and October 2022. Although the number of empty Council homes remains high, nearly 100 homes were brought back into use during this time. The total is now below 300.

To enable us to further improve performance in these areas we are developing a new minor works framework that will enable more local contractors to work on our Council homes. We are also developing our in-house teams, developing our capacity and skills so that we become less reliant on the market and implementing a new repairs scheduling system called Total Connect, over the next 12 months. Total Connect will enable tenants to request and track their repairs and help us ensure that the works carryout on tenants' homes meet their needs and are done at a time that is convenient and suitable for our tenants.

Our on-going consultation with tenants has identified seven key areas of work:

Work Area	Context	Action
Repairs and Maintenance	Effective and timely maintenance service, maintaining homes to a high standard and continuing to improve the housing stock	<ul style="list-style-type: none"> • Keeping in touch with tenants and advising tenants how quickly we can carry out the works when they report minor repairs. • Clearing the backlog of repairs that have built up. • 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. • Developing and implementing a new minor works framework that will help build contractor capacity and skills. • Developing our in-house teams so that we have the skills and capacity to deliver repairs ourselves and reduce our reliance on the private market.
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.
Damp and Mould	Prolonged exposure to dampness and mould can affect health and wellbeing, as highlighted by recent press coverage of a tragic case.	<ul style="list-style-type: none"> • Ensuring that our processes for dealing with damp and mould are reviewed to mitigate risks. • Taking a preventative approach to identifying any issues early, through welfare checks and programmed inspections. • Providing advice to tenants on what they are able to do to reduce damp and mould in their homes. • Reviewing the introduction of new technology that will allow us to monitor and intervene early to prevent mould and damp from occurring in tenants' homes.
Servicing	We assess the condition of our gas, oil, electric and solid fuel appliances and	<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.

	<p>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 systems, including hard-wired smoke and carbon monoxide (CO) detectors</p>	<ul style="list-style-type: none"> • Inspecting smoke, heat and carbon monoxide detectors installed in homes. 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.
External Works and the Environment	<p>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 or replacement programmes and improving the estate environment around our tenants homes.</p>	<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. • Continuing our programme of replacing structural boundary and retaining walls. • Ensuring sheds/outhouses, gardens, paths and fencing meet our standards.
Empty Council Homes (Voids)	<p>Our aim is to let empty Council homes as quickly as possible, reducing rent loss and reducing the pressure on front line homelessness services</p>	<ul style="list-style-type: none"> • Make empty properties available for letting as quickly as possible and reducing the number of empty homes in the Council's housing stock. • Completing individual options appraisals if homes are no longer fit for purpose or require significant investment. • Ensuring every new tenant receives relevant information and certification about their new home.
Improving Standards	<p>Tenants have told us they want a standard that continues to evolve</p>	<ul style="list-style-type: none"> • Giving tenants a say through single-issue meetings, digital participation and challenge panels. • Developing an energy savings programme and ensure we have robust Energy Performance Certificate (EPC) data to inform future work programmes. • Using the data gathered by the stock condition and verification team to determine the most sensible route for improving our standards. • Continue to implement a new asset management system for our housing stock that can be used to store data on our homes and conduct our own modelling for retrofit works. • Maximising funding opportunities that allow us to test new innovative technologies that can reduce our carbon footprint and fuel bills for tenants. • 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.

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 also continue our annual sheltered housing programme of:

- communal boiler replacement/upgrades making boilers more energy efficient;
- maintaining and servicing lifts;
- introducing super fast broadband and Wi-Fi to all our sheltered schemes so that all tenants are connected; and
- transferring lifelines from non-scheme sites to our Telecare service (Delta Wellbeing).

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 Wellness Village in Llanelli will form a test bed for developing innovative housing and care solutions for older people that promotes health, well-being and independence. We have also provided accommodation for older people over the age of 60 within our new build

developments, including one bedroom flexible apartments in Glanmor Terrace, Burry Port and two bedroom bungalows in Dylan, Llanelli.

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.

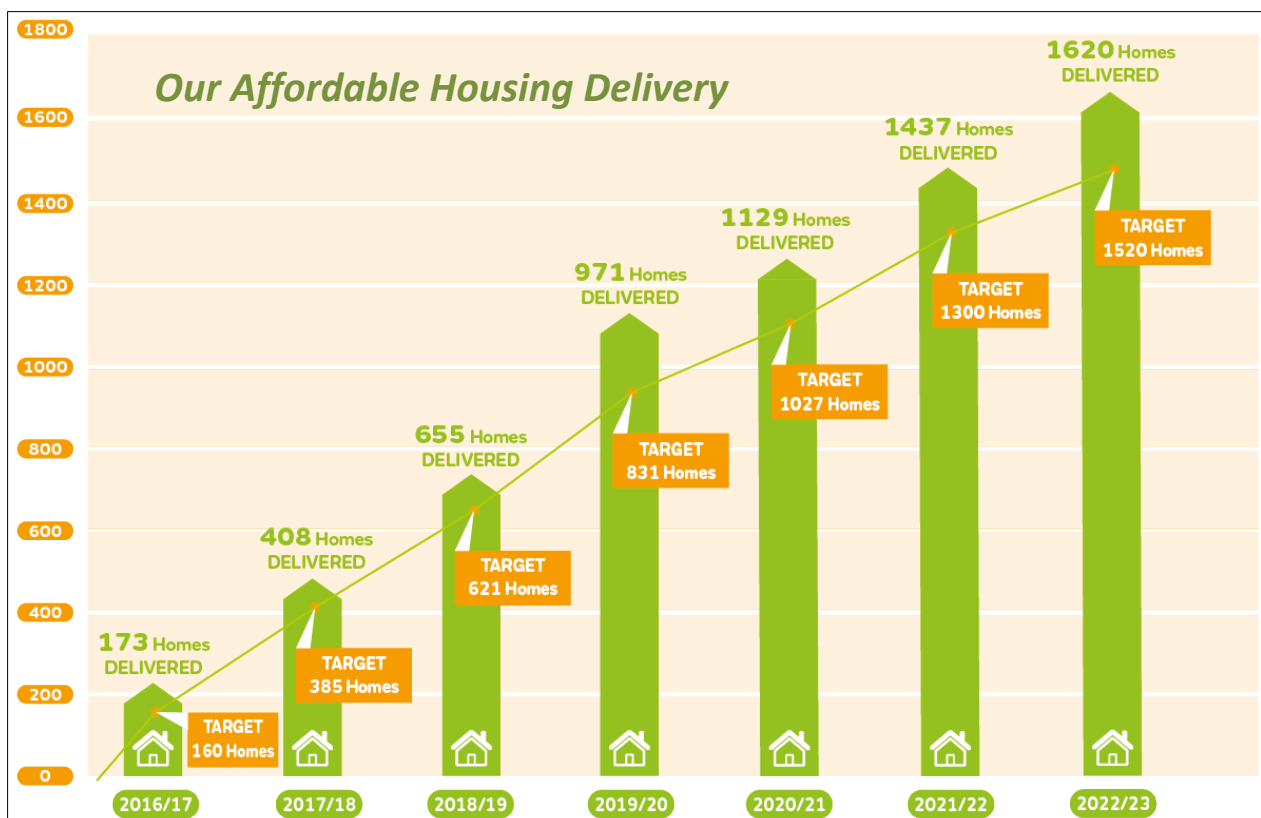
Supported Housing (Learning Disabilities & Mental Health) – we develop accommodation with support for individuals or groups of people that have learning difficulties or mental health needs. Through a planned approach and understanding the medium to long term need, we provide housing that can provide 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. Where a need is identified we redesignate homes within the current housing stock, purchase additional properties or make homes available on our new build sites. 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 priority for the Council for a number of years. Our Housing Regeneration and Development Delivery Plan sets our strategic direction and is focused on supporting the delivery of over 2000 additional homes over the next five years by:

- meeting housing need in all areas of the county;
- developing new innovative energy efficient Council homes with low running costs, helping to mitigate fuel poverty and helping some of our most vulnerable families through cost of living crisis;
- providing sustainable solutions to address the unprecedented rise in homelessness cases seen in recent months due to external market conditions affecting the private rented sector which is reducing the supply of homes; and
- stimulating economic growth in the county, creating jobs and growing the green economy.

Over 1600 additional affordable homes already delivered



Since beginning our ambitious journey to increase the supply of affordable homes in 2016, we have delivered over 1,600 homes, exceeding our delivery targets every year meeting

housing need and helping some of the most vulnerable people and families in our communities. With the current cost of living crisis and the housing crisis it is now more important than ever that we continue to increase the supply of homes in the county.

The plan to increase the supply of homes will:

- support the development of strong sustainable communities – places where people want to live and work;
- help grow the local economy;
- understand the needs of our diverse communities, building the right homes in the right places and meeting housing need for single and family accommodation;
- 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.

Meeting housing need and addressing the housing crisis

Meeting housing need has always been our main reason for providing more homes. 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 number of different ways including:

- providing more homes for social rent, including homes for general needs households (single people and families), 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 Wellness 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.

Over recent months the Council has seen an unprecedented rise in homelessness which has had a significant impact on the demand for affordable housing in the county. This has been caused by external market conditions affecting the private rented sector which is reducing the supply of homes available for rent, as a result of:

- private landlords leaving the market due to concerns over the implications of the new Renting Homes Act due to come into force in December 2022. This has increased the numbers of Section 21 Notices (no-fault evictions) being served on private rented sector tenants;
- private Landlords serving Section 21 eviction notices so they can secure a higher rent as the market soars; and
- private Landlords wishing to cash in on recent rises in property prices and exiting the rental market.

These actions have had a significant effect on the supply of affordable homes. Many single person and family households by no fault of their own have become homeless. It has also had a direct effect on the Council being able to discharge its homelessness duty through the private rented sector. The lack of housing supply has also increased market rents substantially above the local housing allowance making the market unaffordable for many. A situation which is likely to get worse as the cost of living also continues to rise and inflation levels soar above 10%.

It is clear that despite the number of households being re-housed currently the demand for affordable housing due to the effect of the external housing market is continuing to increase.

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. The effects of the current housing crisis has required greater focus on our buying private sector homes programme making more homes available quickly to help address the increasing demand for housing.

We are also introducing a new emergency social housing allocation policy that will move away from the “bidding system to direct allocations. This will improve the throughput in the system and better manage demand and supply issues. The Policy has been developed by a Task and Finish Scrutiny group

Our current approach includes:

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.
Buying Private Sector Homes	<ul style="list-style-type: none"> Increasing the number of homes in the Council's housing stock by purchasing private sector homes that are able to be let immediately for general and specialist housing need e.g. assisted living schemes for learning difficulties, mental health, and older people's housing. Making direct approaches to purchase properties from private landlords who have served their tenants with Section 21 Eviction Notices as they wish to leave the private rented market. This will prevent tenants becoming homeless and remain in their homes. Working directly with private developers and purchasing homes to meet housing need off plan. Purchasing strategic properties to convert and develop into shared single person accommodation with 24hour support.
Private Sector Partnerships	Working with private sector partners to deliver housing solutions at scale and pace that meet the individual needs of an area.
Purchasing Land	Buying additional land to develop more homes to meet our strategic regeneration priorities and addressing housing need throughout the county.
Empty Homes	<ul style="list-style-type: none"> Working with private owners across the County to bring empty homes back into use. Purchasing empty homes through the Land and Building Development Fund, releasing the potential of a disused asset. Converting empty spaces above retail premises into residential use.
Section 106	Securing 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.

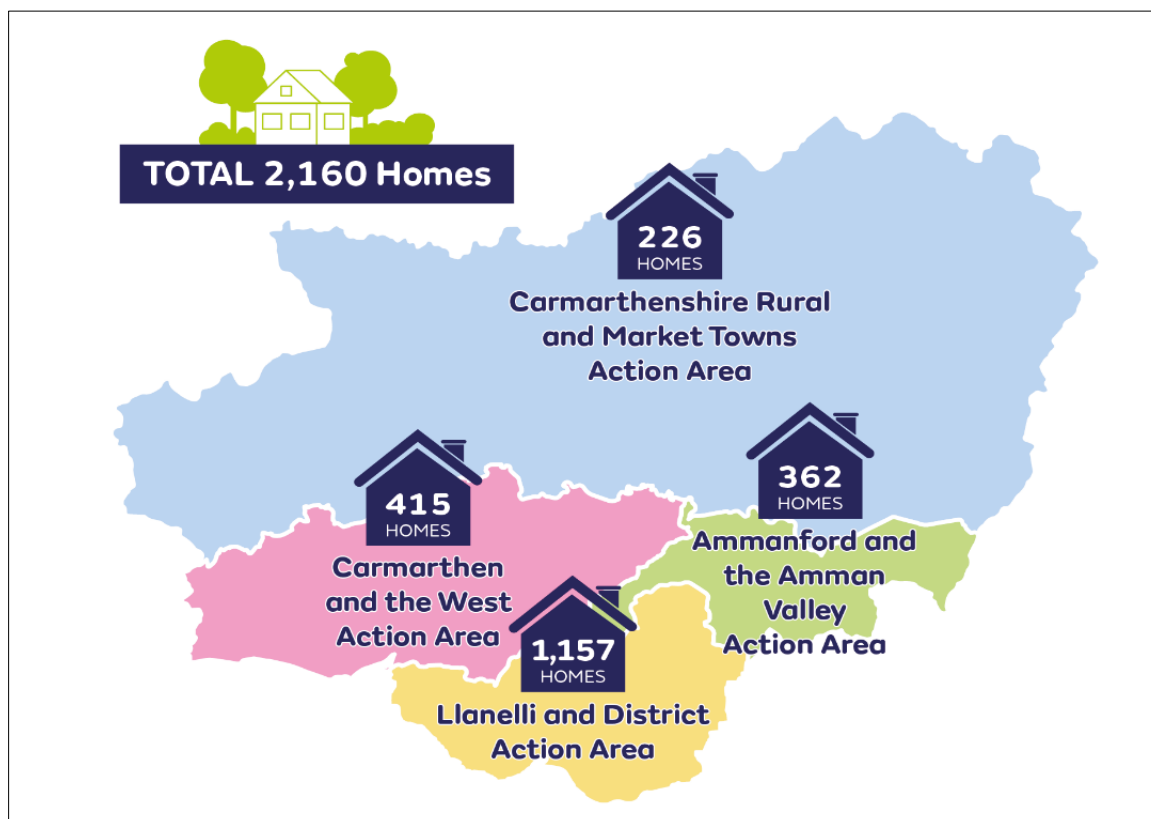
The additional homes delivered through our plans meet the individual needs of our communities and include houses, bungalows and apartments for rent and sale. Our new build developments follow a clear set of design principles that create new communities that are sustainable, with a real sense of place. 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 Councils Net Zero Carbon principles.

Our programme

Our programme to support the delivery of over 2000 homes is shown below. This programme is 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 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 – Promoting Affordable Warmth and Decarbonising our Housing Stock

Our aim is to make all of our homes energy efficient and achieve a minimum Band C Energy Performance Rating as quickly as possible. Decarbonising our housing stock, looking at our services and reducing carbon emission from our activities will be a strategic focus for us for years to come, as we aim to become a Net Zero Carbon Authority by 2030.

Whilst decarbonising the housing stock is a huge challenge there are several benefits to this approach, including:

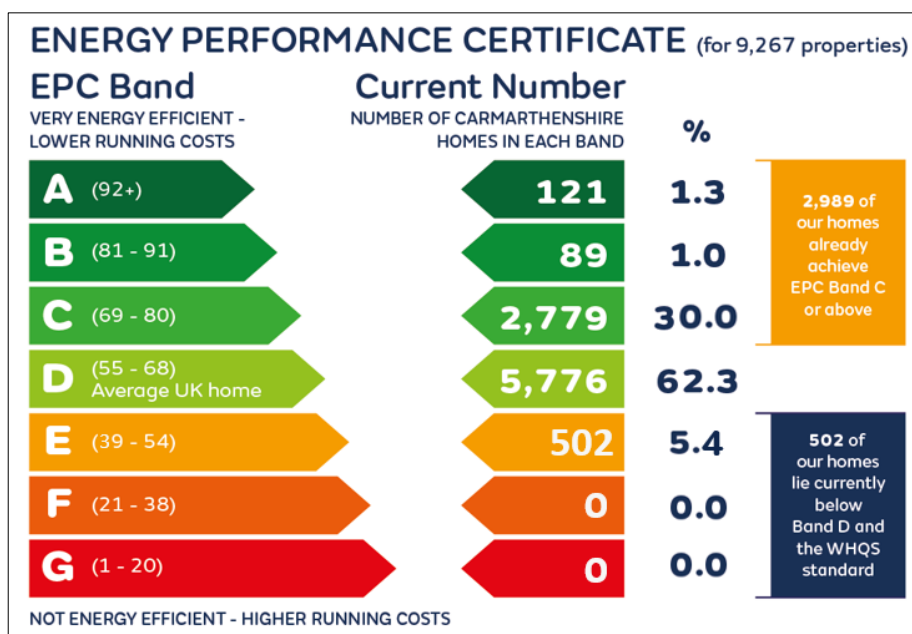
- reducing fuel bills for tenants and helping to mitigating fuel poverty, this is particularly important with the current cost of living crisis;
- strengthening our local economy by providing long term investment programmes;
- providing more training and work opportunities for local people; and
- ensuring our tenants homes are fit for purpose now and for generations to come.

What we have done so far..... existing homes

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

As part of our housing investment programme to achieve WHQS, we upgraded the thermal performance of our homes by installing cavity wall insulation, increasing the amount of insulation in the loft, lagging pipes and hot water cylinders and replacing inefficient boilers. The average energy performance currently achieved by our homes is a Band D Energy Performance Rating with a SAP level of 66. This exceeds standard set in WHQS which requires a SAP level of 65.

The energy performance of our housing stock is shown below:

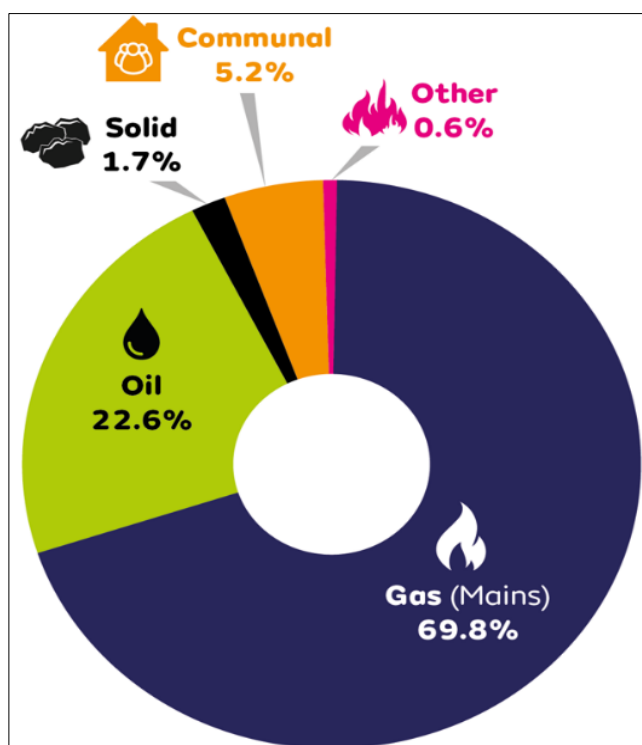


Already 30% of our housing stock achieves a Band C energy performance rating. 62% is slightly below this level, achieving Band D and with only 502 homes (5.4%) having an energy performance rating below Band D. This provides us with a solid foundation to push forward with improving the energy efficiency of all our homes to a minimum Band C, Energy Performance Rating.

In recent years, we have been actively looking for solutions that will allow us to improve the energy performance of our homes and provide affordable living for our tenants. This is a particularly important area of work with the current cost of living crisis and soaring energy bills. We have worked in partnership with WG and Cardiff University to look at our current housing stock and determine what solutions would have the biggest effect on our energy efficiency and decarbonisation programme.

During the initial pilot study with WG and Cardiff University, we were able to identify the different archetypes that make up our total housing stock. This data allowed us to model different decarbonisation solutions that would impact the majority of our housing stock and allow us to develop further decarbonisation programmes. Over 80% of the housing stock archetype is post-war, built between 1945-1990 and the majority of our stock is heated by fossil fuels as illustrated below.

How our homes are heated



The majority of our homes are heated from mains gas, with nearly a third of our stock heated from oil and other solid fuels.

The optimised retrofit programme

In 2019, it was agreed by WG that an 'Optimised Retrofitting' approach would be adopted in Wales to decarbonise homes which involves:

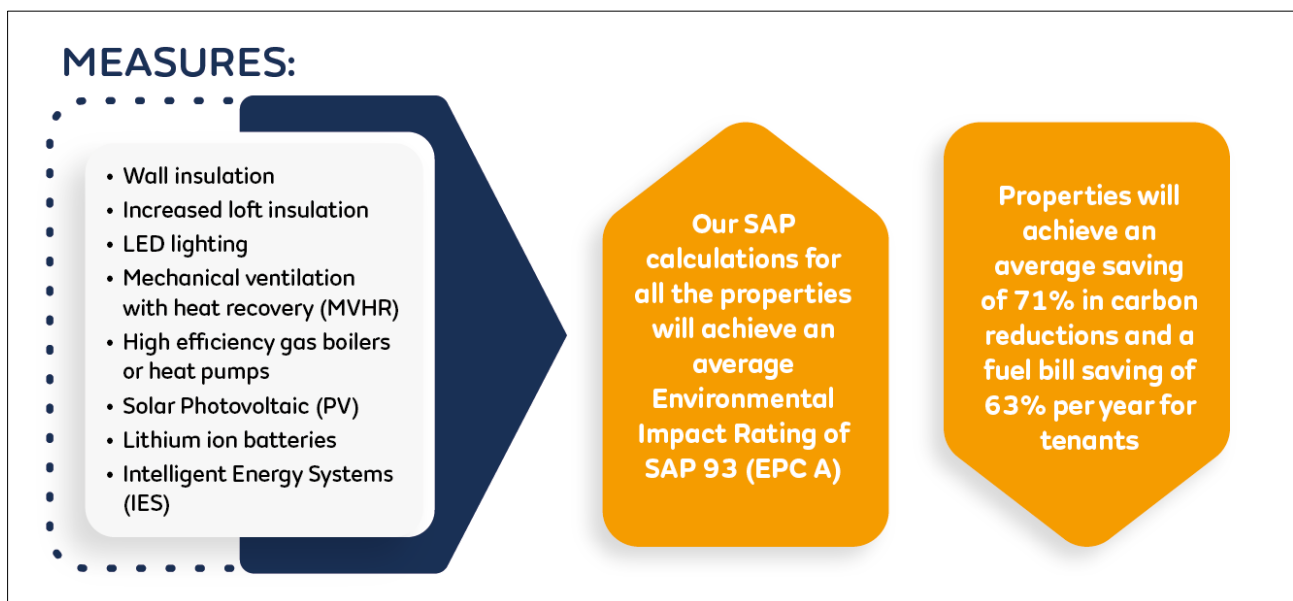
- beginning the decarbonisation programme on the social housing sector;
- pursuing a 'Fabric First' approach to retrofitting homes; and

- embracing a test and learn approach.

The work we did on our initial pilot study with Cardiff University enabled us to develop and deliver an Optimised Retrofit Programme (ORP) and utilise WG funding from ORP 1 and 2. The ORP programmes were small but allowed us to test:

- an optimised retrofit programme utilising the fabric first approach and introducing renewable technology to both empty and occupied homes; and
- develop a programme to replace gas boilers that were falling out of compliance with hybrid heat pumps.

A summary of the works typically carried out on our homes through the retrofit programmes is shown below:



ORP 3 was introduced in 2022/23 and eliminated the need for competitive bidding. All funding is now pre-allocated by WG in advance over a three year period. This will allow us to programme decarbonisation and affordable warmth works at a faster rate than what would have been possible without these additional resources.




Although we recognise that there is no one size fits all approach for retrofitting our homes, we believe that with minor variations, we will be able to deliver similar works to almost a third of our housing stock, significantly reducing our carbon footprint and providing affordable warmth for many of our tenants.

What we have done so far..... new build Council homes

Our Council new build standards embrace decarbonisation. Our homes are highly efficient and already achieve a Band A Energy Rating with SAP levels between 92 and 105. We have developed a housing performance matrix that allows us to build to different energy standards

depending on the development. A breakdown of the different energy standards we currently use on our new build developments can be seen in the table below.

Energy performance matrix

	Energy Performance	Level 1	Level 2	Level 3	Level 4
	Roof	0.15 W/m2k	0.12 W/m2k	0.12 W/m2k	0.10 W/m2k
	Floor	0.18 W/m2k	0.12 W/m2k	0.12 W/m2k	0.10 W/m2k
	External Walls	0.20 W/m2k	0.12 W/m2k	0.12 W/m2k	0.10 W/m2k
	Part Walls	0.21 W/m2k	0.12 W/m2k	0.12 W/m2k	0.10 W/m2k
	Windows & Doors	1.60 W/m2k	0.85 W/m2k	0.80 W/m2k	0.80 W/m2k
	SAP Rating / EPC	97 / A	97+ / A	105+ / A	105+ / A
	Ventilation	Natural	Natural	Mechanical Ventilation Heat Recovery	Mechanical Ventilation Heat Recovery
	Air Tightness	8	5	1	0.6
	Heating and Renewable Technology	Gas Solar PV	Gas or heat pumps Solar PV Battery Storage Optional	Heat Pump or Electric Panel Heaters Solar PV Battery Storage	Heat Pump or Electric Panel Heaters Solar PV Battery Storage

Our ambitious plans to support the delivery of over 2,000 homes in the next 5 years will include developing innovative energy efficient homes with low levels of carbon emissions that can produce and store energy. We will continue to focus on using a fabric first approach, innovative technology and the use of natural and local products on all future developments, and where possible we will encourage the use modern methods of construction (MMC).

Next steps for decarbonising our existing homes

We have made a good start to decarbonising our housing stock. Although the sample sizes of our retrofit projects are small, the data and learning we have gained is immeasurable. The next challenge, however, is how we accelerate these programmes forward to include more homes at pace. The cost of living crisis has made this a key priority for the Council and we will be revisiting our programmes to determine what can be brought forward that will directly help our tenants by reducing their fuel bills.

C

Our aim is to bring all of our Council Homes up to a Band C Energy Performance Rating as quickly as possible.

Our aim is to make all of our homes energy efficient and affordable for tenants. We will achieve this by bringing all of our Council homes up to a minimum Band C Energy Performance Rating (SAP 69 and above) as quickly as possible.

There are, however, several barriers currently in place that make it difficult to deliver a full retrofit programme at scale that simply cannot be overcome in the short term. These include the:

- high cost to fully retrofit a typical home that has already received investment;
- lack of local skills and trades to deliver the work;
- shortage of materials both locally and nationally; and
- limited capacity of the national grid to deal with the increased energy demands of more electrical equipment such as heat pumps and solar panels as they are installed in our homes.

These barriers make it very difficult to predict when all our homes will achieve a Band C Energy Performance Rating.

We have always understood that the most practical way to decarbonise our homes is through a fabric first approach. This means ensuring our homes are well insulated with an increased air tightness to ensure homes stay warmer for longer and therefore reduce heating demands for tenants. Although we do see innovative technologies such as solar panels, heat pumps and battery storage equipment becoming more prominent in housing, we see these as additional benefits that will be installed further down the line as the national grid continues to improve and skills, trades and materials become more available.

Swansea Bay City Deal – Homes as Power Stations (HAPS)

The HAPS City Deal is a pioneering project that will facilitate the adoption of the Homes as Power Stations approach to integrate energy efficient design and renewable technologies into the development of new build homes and retrofit programmes carried out by the public, private and third sectors. This will tackle fuel poverty while helping residents save money on their energy bills.

The HAPS project aims to prove the concept in the public sector at a relatively small scale with the intention of then scaling up activity in other sectors across the Swansea Bay City Region, including private sector developers.

The project will facilitate the take up of renewable technologies in at least 10,300 homes (7,000 retrofit, 3,300 new build) within five years. It is linked to other housing improvement programmes, including the WG Optimised Retrofit Programme. The work we have done to date on decarbonising our existing housing stock and our new build programmes directly supports the principles of the City Deal.

The City Deal will also focus on developing a sustainable regional supply chain. It will leave a legacy of skilled jobs in the Swansea Bay City Region, while mainstreaming the concept for roll-out elsewhere in Wales and the UK.

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 economic growth and the actions in 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; and
- create new jobs and training opportunities for local people.

The housing stock investment and the Council new build programmes will provide sustained periods of trade and benefit to 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 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.

Community benefits directly delivered through housing investment

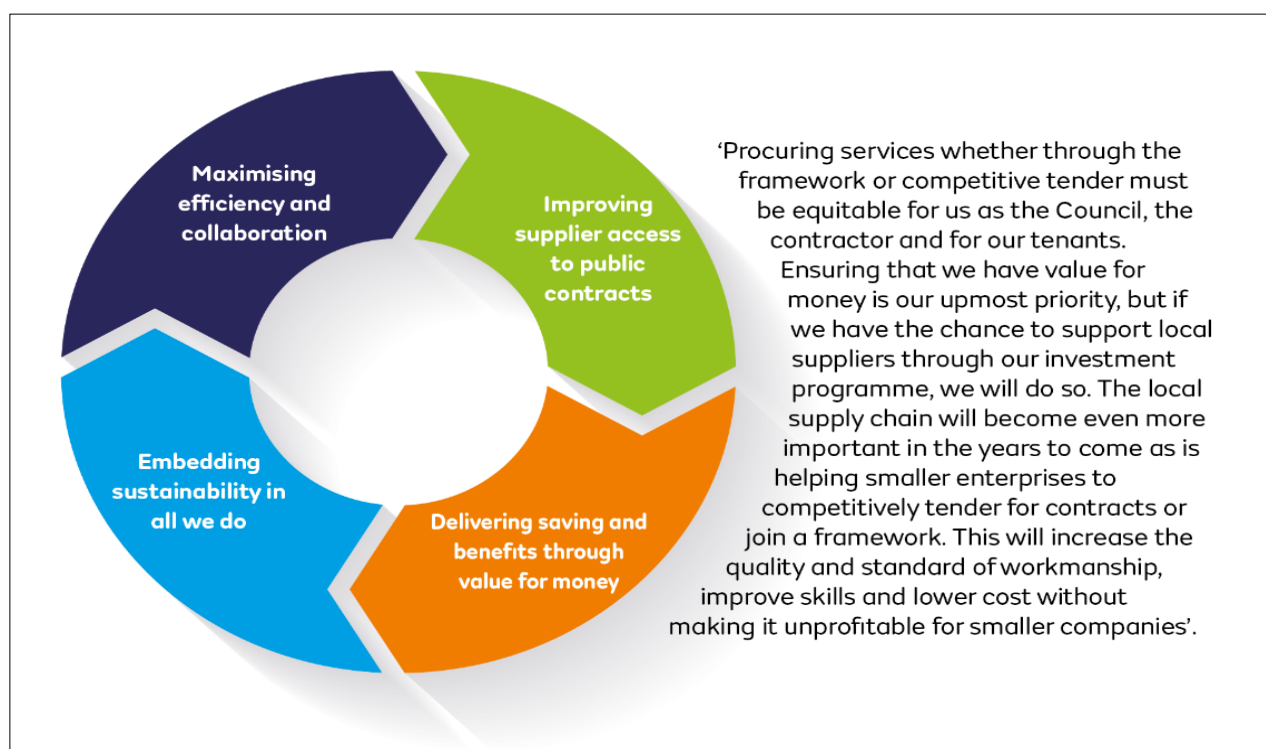
The Council's capital investment programme exceeds £30m per annum. Our procurement approach ensures that community benefits are delivered through the capital programme.

The table below demonstrates the community benefits already delivered through the Council's first five new build developments in Llandybie, Saron, Llanelli, Burry Port and Pembrey. It also shows the projected level of community benefits that will be delivered through our future housing investment programmes.

Community Benefits Delivered on our First 5 New Build Developments		Projected Community Benefits for Future Housing Investment Schemes	
	1344 Waged training weeks have been provided		3668 Waged training weeks will be delivered
	38 Work experience placements (5 days per student) were created		32 Work experience placements (5 days per student) will be delivered
	19 New entrant jobs were created		21 New entrant jobs will be created
	24 Construction careers advice and guidance events delivered		10 Construction careers advice and guidance events proposed
	57 Existing workforce employees were upskilled and provided with additional training		48 Existing workforce employees will be upskilled and provided with additional training

During construction, contractors will also contribute to the wider local economy by increasing footfall into town centres 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 and following the pandemic as local offices remain empty.

It is, however, extremely important that all contracts demonstrate good value for money and through the West Wales Regional Contractors and the Minor Works Frameworks we will challenge their costs, the principles and methods of construction to make ensure 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.

The current financial assumptions in the plan are based on a rental increase of 5.5%

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 2023/24	Welsh Government have set the maximum rent increase for 23/24 at 6.5% because the Consumer Price Index sat outside the 3% threshold (10.1%) 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 5.5% overall with a maximum £1 progression for those tenancies below target rent. Most tenants will receive a 5.36% 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>	3.5% for 24/25, 3.2% for 25/26, 3.1% for 26/27, 3.2% for 27/28, then increased to 2.5% pending revised rent policy from WG.
Borrowing and direct revenue financing (DRF)	Borrowing £40m and utilising £20m DRF over next 3 years to maintain our housing stock and develop new homes.
Expenditure/income inflation	Employees' pay at 5% for 2023/24 as per the Council Fund and general inflation at 5%.
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 £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: 2023/24: 4.36% Then 4.4% in future years	Cost of exiting HRAS: Average of 4.15%
Provision for Bad debt i.e. debt that we will be unable to recover	2023/24: £606K 2024/25: £636K 2025/26: £668K	

CAPITAL PROGRAMME	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)	Budget 2024/25 (£000s)
Maintaining the Standard:			
All Internal Works	2,378	2,287	2,300
All External Works	1,000	2,000	1,000
Voids and Major Works to homes	6,000	5,000	6,000
Structural Works - Estates and boundary walls (inc. identified structural works)	900	1,800	2,000
Decants	150	150	150
Support Tenant and Residents:			
Sheltered Scheme Investment	370	500	850
Assisted Living Projects	1,200	450	800
Adaptations	2,000	2,000	2,000
Environmental Works & Garages	350	400	350
Providing More Homes:			
Housing Development Programme	12,730	14,900	15,500
Decarbonisation:			
Works to Deliver Decarbonisation	2,835	2,623	2,055
Support the Delivery of CHS+:			
Programme Management	1,500	1,560	1,622
Stock Condition Information	415	387	350
Risk Reduction Measures	1,987	285	470
Sewerage Treatment Works	20	20	20
TOTAL	33,836	34,362	35,467
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	9,271	9,051	7,000
Direct Revenue Financing	10,000	5,000	5,000

External Borrowing	8,339	14,085	17,242
TOTAL	33,836	34,362	35,467

REVENUE PROGRAMME	Budget 2021/22 (£000s)	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)
Repair and Maintenance of Homes	17,233	18,319	19,411
Supervision and Management	9,625	10,071	10,499
Support Services e.g. Legal and Finance	1,866	1,903	1,941
Provision for Bad debts	606	636	668
Direct Revenue Financing	10,000	5,000	5,000
Capital Charges	14,929	15,474	16,197
TOTAL	54,258	51,403	53,716
SOURCE OF REVENUE FUNDING	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)	Budget 2024/25 (£000s)
Tenant Rents	46,247	48,540	51,063
Service Charges	981	1,227	1,275
Interest Received	137	71	76
Housing Finance Grant 2	246	246	246
Water Rates Commission	0	0	0
Grants / Other	2,050	2,136	2,220
TOTAL	49,661	52,221	54,879
Difference between 'Revenue Funding' and 'Revenue Spending'	-4,598	818	1,163

HRA END OF YEAR POSITION:	Budget 2022/23 (£000s)	Budget 2023/24 (£000s)	Budget 2024/25 (£000s)
Balance brought forward from last year	18,494	13,896	14,714
HRA budgeted difference *	-4,598	818	1,163
BALANCE CARRIED FORWARD**	13,896	14,714	15,877

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

**The balances carried forward in the plan are fully committed to funding our borrowing requirements in future years.

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 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 ambitious housing regeneration and development programme.

All risks are monitored by the Housing Investment and Development 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; and
- physical constraint.

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

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 (EPC rating D) which meets the current requirements of the WHQS.

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;
- continuing to carry out 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 investment works will be carried out.