

# Housing Revenue Account Business Plan 2024-27

Carmarthenshire's Housing Investment Programme

Appendix F – Compliance Policy



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Cyngor Sir Gâr  
Carmarthenshire  
County Council



# Contents

|  |   |
|--|---|
| 1. <i>Contents</i> .....   | 2 |
| 2. <i>The purpose</i> .....  | 3 |
| 3. <i>The context</i> .....  | 3 |
| 4. <i>Policy statement</i> .....   | 3 |
| 5. <i>Tenants views</i> .....  | 4 |
| 6. <i>Progress and reporting</i> .....                                     | 5 |
| 7. <i>Data collection, storage and updating</i> .....                      | 6 |
| 8. <i>Current compliance position</i> .....                                | 7 |
| 9. <i>Interpretation and current recording of 'Acceptable Fails'</i> ..... | 7 |
| 10. <i>Risk reduction measures</i> .....                                   | 8 |
| 11. <i>Independent verification</i> .....                                  | 8 |
| 12. <i>Annual financial statement</i> .....                                | 8 |
| 13. <i>Recording community benefits</i> .....                              | 9 |

## 1. The purpose

- 1.1. The purpose of this document is to confirm our approach to repairing and maintaining the Carmarthenshire Council housing stock. It takes account of the guidance produced by the Welsh Government in 2015 in terms of compliance and verification with the Welsh Housing Quality Standard 2002 (WHQS).

## 2. The context

- 2.1. Carmarthenshire is committed to providing affordable homes for council tenants that are modern, safe, fuel efficient, situated in well maintained neighbourhoods and are well managed.
- 2.2. In 2006, the Council started its ambitious programme to achieve the Welsh Housing Quality Standard (WHQS) by the end of 2015. We are pleased to say that we have delivered this programme, on time, to homes where tenants have agreed to have the work carried out. Even though these programmes have been delivered, this does not mean the end to us investing in our housing stock. We are now focused on bringing all our existing homes to an EPC Band C energy performance rating as quickly as possible. This will help meet our decarbonisation targets and mitigate fuel poverty for tenants as part of efforts to reduce the impact of the on-going cost of living crisis.
- 2.3. We have acknowledged the importance of strategic asset management in providing the foundation for our investment plans, as well as the central role of supporting tenants and residents in everything we do. The 2024/27 business plan covers five key themes that have been identified in terms of future investment. These are:

**THEME 1 - Our Estate and Tenancy Management Offer**

**THEME 2 - Investing in Homes**

**THEME 3 - Promoting Affordable Warmth and Decarbonising our Housing Stock**

**THEME 4 – Delivering More Homes**

**THEME 5 - Local Economy, Community Benefits and Procurement**

## 3. Policy statement

- 3.1. In 2015 we achieved the WHQS to homes where tenants have agreed to have work completed - well before WG's target of December 2020. This is in line with our agreed assumptions and timescales, with replacement programmes being based on condition, not time. We now face a range of new targets set out in the newly established WHQS 2023 including:
  - Completing a whole stock assessment and developing individual targeted energy pathways for each home by March 2027;
  - Achieving an EPC Band C rating on all homes by March 2030 using a fabric first approach; and
  - Producing an updated Compliance Policy by March 2025, confirming the Council's approach to meeting the new requirements of WHQS 2023.

3.2. 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 this by ensuring that all homes will be:

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

#### 4. Tenants' views

4.1. The commitment and support of our tenants' and members' continues to be important to us to ensure that we maintain and improve the standards our of homes and communities in the future.

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

4.3. We also believe we should give our tenants the opportunity to influence decisions about their homes, the area they live and ensure the services they receive achieve value for money. We undertake a survey of tenants and residents' satisfaction levels (STAR) every two years. The most recent survey was carried out in November and December 2023, the results were being analysed when this Compliance Policy was being developed but the table below shows how our 2021 STAR results compared against other retained Council stock landlords in Wales:

**Tenant Satisfaction retained Council Stock Landlords- 11 (STAR survey results from 2021)**

|   | Quartile | Rank-retained Councils (out of 11) | Average satisfaction | CCC        |
|---|----------|------------------------------------|----------------------|------------|
| <b>Overall Satisfaction</b>                   | Mid      | 6                                  | 77%                  | <b>77%</b> |
| <b>Repairs and Maintenance</b>                | Mid      | 6                                  | 71%                  | <b>66%</b> |
| <b>Listening and acting on tenants' views</b> | Top      | 2                                  | 60%                  | <b>63%</b> |
| <b>I trust my Landlord</b>                    | Top      | 2                                  | 75%                  | <b>80%</b> |

4.4. We will evaluate our approach to the way we listen and act on tenant's views. 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.

This process will be repeated time and time again, so that we continue to improve the service in line with tenants' expectations.

## 5. Progress and reporting

5.1. As of 31st March 2020, the Council was fully WHQS Compliant having met the standard during 2015 utilising a whole house delivery approach. Some of our housing stock does not meet the standard and are considered acceptable failures. The main reason is due to resident's choice (95%). A small number of properties (5%) were not improved because of physical constraints or the cost of remedy.

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

### WHQS Compliance by Component



5.3. Tenant refusals will be improved by having a rescheduling programme which targets properties when they either become void or whereby an existing tenant who previously refused the works decides to have the work completed.

- 5.4. Future work programmes will be considered in line with the life cycles of components previously upgraded. However, we will be developing a further programme for the following:
- continuing with our roofing, rendering and fabric improvement programme;
  - boiler replacements and servicing;
  - retrofitting our homes and making them more energy efficient achieving a minimum EPC Band C;
  - improving 'our offer' to older people; and
  - building more homes following our commitment set out in the Housing Regeneration and Development Delivery Plan.
- 5.5. We have a robust Governance structure in place which can be found in the Business Plan (Appendix A-E). We report regularly to local members, scrutiny committees and full Council. Progress, good news stories and general information is promoted to tenants in our 'Tenant 2 Tenant' newsletter/magazine.

## 6. Data collection, storage and updating

- 6.1. Prior to delivering the WHQS an internal asset management database was developed to produce the programme of works. This was populated through an 80% stock condition survey and information received from major works programmes at the time. The remaining property data was modelled giving a high level of accuracy to achieve the WHQS.
- 6.2. We believe that managing housing assets goes beyond just investing in good repair and improvements. Asset management is also about reviewing and potentially changing the asset base to providing the right accommodation in the right location, supported by excellent, flexible services for our tenants. It must consider quality and value for money, particularly the whole life of a home and how running costs will affect tenants. This is more important than ever with the on-going cost of living crisis.
- 6.3. By applying an effective asset management strategy to our 9,000 plus homes, it will also enable us to meet our legal requirement of maintaining the housing stock in the future and implementing improvement programmes to meet WHQS 2023.
- 6.4. We fully recognise that in order to achieve the above we must ensure that:
- the right structures, skills, resources, and capacity are in place and are regularly reviewed;
  - robust stock condition information, data and analysis is in place to drive investment;
  - our data is further enhanced and regularly validated by feedback from all programmed and cyclical repairs, and maintenance activities;
  - we complete our cost certainty exercise for our overarching 30-year financial plan; and
  - continue with our stock condition and verification surveys to ensure the data we hold for our housing stock is still accurate.

We use two software systems for data collection and modelling. TOTALMobile, is used for job ordering of programmed works, contractor payments and stores work completion dates. We use the data to forecast future investment requirements as well as our overall 30-year

business plan. Also, we use our Housing Management System (OHMS) to collate and store stock compliance information and other asset data such as adaptations. We are currently in the process of replacing the OHMS system and have already purchased a new system which is currently being implemented to manage stock investment. CIVICA CX Assets will replace OHMS for recording compliance information and is now our primary asset management system. Total Connect will replace TOTALMobile and is currently being implemented. Both systems will complement each other. This will improve functionality and facilitate more efficient analysis and scenario modelling to inform future investment programmes such as our cyclical maintenance programmes and energy pathways to achieving EPC Band A for the future.

## 7. Current compliance position

7.1. Annually, Carmarthenshire County Council completes a WHQS return for the Welsh Government which indicates the condition status of the stock at the end of each financial year. Subject to acceptable fails, Carmarthenshire is 100% WHQS compliant. The table below indicates the most up to date stock compliance status:

| CCC CHS+ Status        | Total Stock (March 2022) | Total Stock % |
|------------------------|--------------------------|---------------|
| Assets                 | 9,321                    | -             |
| Total Fully Compliant  | 8,380                    | 90            |
| Total Acceptable Fails | 941                      | 10            |

## 8. Interpretation and current recording of 'Acceptable Fails'

8.1. We will assess elements of the standard as pass, fail or not applicable. The Council accepts four main reasons for an acceptable fail and follows Welsh Government guidance:

|   |  |    |
|---|--|----|
| In Line with Welsh Government Guidance, certain aspects for categorising an 'acceptable fail' are open to officer interpretation and therefore each case is reviewed by the responsible officer who will then decide if a property fails to meet the criteria |  |    |
| Tenants' choice or refusal  | choice   | or |
|   | Where a tenant chooses or refuses works that prevents the council from maintaining or improving the house and is recorded as an acceptable fail. All such acceptable fails are reviewed and/ or rescheduled. The asset will be fully refurbished to the appropriate standard at the next available opportunity (void works or through tenants' change of mind). Tenants <u>do not</u> have a choice whether to have smoke or carbon monoxide detectors installed in their homes or to have their boilers serviced. |    |
| Physical Constraint   | Physical constraint only accounts for a small percentage (2%) of our acceptable fails whilst this doesn't present a significant problem at this stage it could prevent us from maintaining the standard in future. These properties are  |    |

|                         |  |
|-------------------------|--|
|                         | clearly identified and measures have been put in place to mitigate this at the earliest possible opportunity.  |
| <b>Timing of Remedy</b> | Although this currently does not present a problem for the council, we may in the future defer works to ensure our investment programmes remain efficient, we may also consider combining works to reduce disruption levels for our tenants.   |
| <b>Cost of Remedy</b>   | Future investment to support the standard will be based on an assessment of the building(s) and whether it is lettable. Consideration will be given to future lifecycle costs to maintain compliance. Where it is uneconomical to repair, we will carry out an MSCA assessment to determine its long-term viability. |

## 9. Risk reduction measures

9.1. We will continue to respond to changes in legislation, regulations or other statutory guidance that will make our tenants homes safer. Ensuring that our tenants are safe and healthy within their homes is a key priority for the Council. We will adopt new, better standards in timely manner and have the following risk reduction measures in place:

- approach to fire safety management;
- radon testing programme; and
- serge protection upgrade.

## 10. Independent verification

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

- demonstrating a clear separation of duties between those reporting compliances and those delivering and enhanced standard of work;
- using internal staff in conjunction with external support to undertake desktop reviews;
- continuing to carry out stock condition surveys on our housing stock each year;
- asking tenants how they would like to be part of the process of verification;
- use a range of methods to assess compliance including independent collection of data; and
- complying with internal and external audit requirements.

## 11. Annual financial statement

11.1. Annually the Council reviews the Housing Revenue Account (HRA) Business Plan which sets out the investment needed to maintain the housing stock investment programmes.



The Council has a robust 30-year business plan in place and since April 2015 has become self-financing having exited the Housing Revenue Account Subsidy System (HRAS).

- 11.2. Our capital investment programme is supported by funding from the Welsh Governments Major Repairs Allowance (MRA), contributions from revenue, capital receipts as well as prudential borrowing. All of these income streams are used to facilitate the capital investment required to sustain our stock as part of our 30-year business plan.
- 11.3. We will also pursue, where possible, other funding streams and grants to maximise our income that will support and complement the work programmes and/ or services outlined in the Business Plan.

## 12. Recording community benefits

- 12.1. The Council is committed to stimulating the local economy through our housing investment programme.
- 12.2. Where possible, we will use local contractors from the Minor Works Framework and South West Wales Regional Contract Framework (SWWRF). Not only will this provide value for money, as part of the framework agreement our contractors will provide:
- employment including apprenticeship schemes;
  - training and work experience for in and out of education;
  - working with local schools and colleges; and
  - non-core community benefits including regeneration schemes.
- 12.3. We are also committed to developing the skills, training and job opportunities within the Council Services. This includes providing apprenticeships and graduate trainee programmes through Coleg Sir Gar and University of Wales Trinity Saint David.
- 12.4. We will measure all contracts awarded through the capital investment programme against the Value Wales Measurement Toolkit (or similar).
- 12.5. We now record targeted recruitment and training person weeks (52 weeks per £1m of a projects value). This is a combination of apprenticeships, work experience placements and jobs and allows us to accurately measure how our projects impact local people.