

Carmarthenshire Homes Standard Plus (CHS+)

Business Plan

March 2021



carmarthenshire.gov.uk/housing

Cyngor **Sir Gâr**
Carmarthenshire
County Council



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Foreword by our Executive Board Members

We are pleased to introduce our Carmarthenshire Homes Standard *PLUS* (CHS+) Business Plan 2021-2024, which sets out our priorities, plans and activities for new and existing council housing for the coming years.

With careful consideration and understanding the effects of Covid on the business over the past year, this Plan seeks not only to maintain the standard, but will also provide a catalyst to stimulate our local economy. As we look to build more affordable homes and other innovative ways to improve our housing stock, we trust that this plan will help the County in its recovery.

Through the income we receive from tenants' rents and other funding sources we have been able to develop an investment programme of over £260m (Capital £107m and Revenue £155m) over the next three years. This will be used to run our services, improvement and maintenance programmes, make our tenants homes more energy efficient, as well as developing over 400 new council homes

The demand for affordable homes across the County remains high. The pandemic has also increased demand to provide suitable housing options to combat homelessness in the county. But even in these challenging times, through the continuous hard work of officers, we have maintained the high standards of performance and delivered on our promises.

We are extremely pleased to confirm that during last year (2020/21) we surpassed our affordable homes target of a thousand homes, almost a year ahead of schedule. Individual households, that were in housing need, have benefitted from good quality, affordable homes in their area of choice. We are confident that giving people a choice of where they would like to live, in areas that are local to them, will build stronger, more resilient communities.

It is with great optimism, that we look forward to developing our new Affordable Housing and Regeneration Master Plan by the autumn, with sites like Dylan, Garreglwyd, Maespiode and Glanmor Terrace nearing completion. We will build more housing and expand this to rural areas, that will fit in with our Ten Towns Initiative. The new houses achieve extremely high energy performance levels and we intend to introduce new technology and fabrics into our existing housing stock. This will make all of our homes more affordable to run for our tenants and lessen the impact on the environment through a reduction in carbon emissions. We will also be linking our housing investment programme to wider regeneration initiatives and focus on Tyisha, Pentre Awel and our Town Centres.

Last year was an exceptionally difficult year, particularly for our tenants. Many are vulnerable or families that have struggled to come to terms with the effects of the pandemic. Interacting with our tenants has remained one of our key priorities. We have found new ways to communicate with them through technology, as face to face meetings

are not at this time possible. This has enabled us to continue to provide the support and reassurance they require to live healthy and happy lives.

The pandemic has caused uncertainty and anguish for many of our tenants. We have therefore ensured that the rental levels for 2021/22 will be kept as low as possible. The rent increase for this year is the lowest it has been for the past 20 years.

Finally, we know that there is a lot more to do and that Covid has temporarily delayed some of our programmes. However, the details within the plan clearly lay out our priorities and realise the opportunities that lie ahead. The plan provides confidence that we will continue to invest in new and existing homes, improve our tenants' lives, the communities and environment they live in and help build a sustainable, prosperous local economy.

Thank you,



Linda Davies Evans
Executive Board Member
for Housing



Cllr Hazel Evans
Executive Board Member for
Environment



Cllr David Jenkins
Executive Board Member
for Resources

Introduction

Purpose of the CHS+ Plan

The purpose of this Plan is to explain the vision and detail of the Carmarthenshire Home Standard (CHS+), and what it means for tenants. The CHS+ is an enhanced version of the Welsh Housing Quality Standard (WHQS) which we delivered in 2015, well in advance of the Welsh Government (WG) timescales. This plan also includes a £107m capital investment programme, over the next three years. This will allow us to build 400 new Council homes, meet our ambition to improve the energy efficiency of our existing homes and meet our net zero carbon target by 2030.

The approved Plan enables us to submit our annual application to WG for Major Repairs Allowance (MRA) for 2021/22, which amounts to £6.2m. Previous years' business plans and forecasting of our spend profile have allowed us to draw down the full MRA allocation each year. In 2020/21, despite the interrupted works programme because of Covid, we still delivered a works programme large enough to draw down the full amount.

Advancing the CHS+ Plan

This Plan is updated annually considering the views of tenants and stakeholders, the latest stock condition information, updated financial information, WG guidance and any revised Council policies.

Progress against the actions within the plan and the associated budgets will be monitored regularly by the CHS+ Working Group. It also provides strategic direction that will be reported to the Housing & Regeneration Strategic Team. The plan also acknowledges the link between good quality housing and estate management with the seven goals in the Well-being of Future Generations Act. A copy of the Governance structure and the well-being goals are provided in Appendix A.

2020/2021 Achievements

2020 proved to be an exceptionally difficult year and many housing-related activities had to be delayed because of local and national restrictions. However, it would be remiss not to acknowledge some of last year's achievements in this plan.

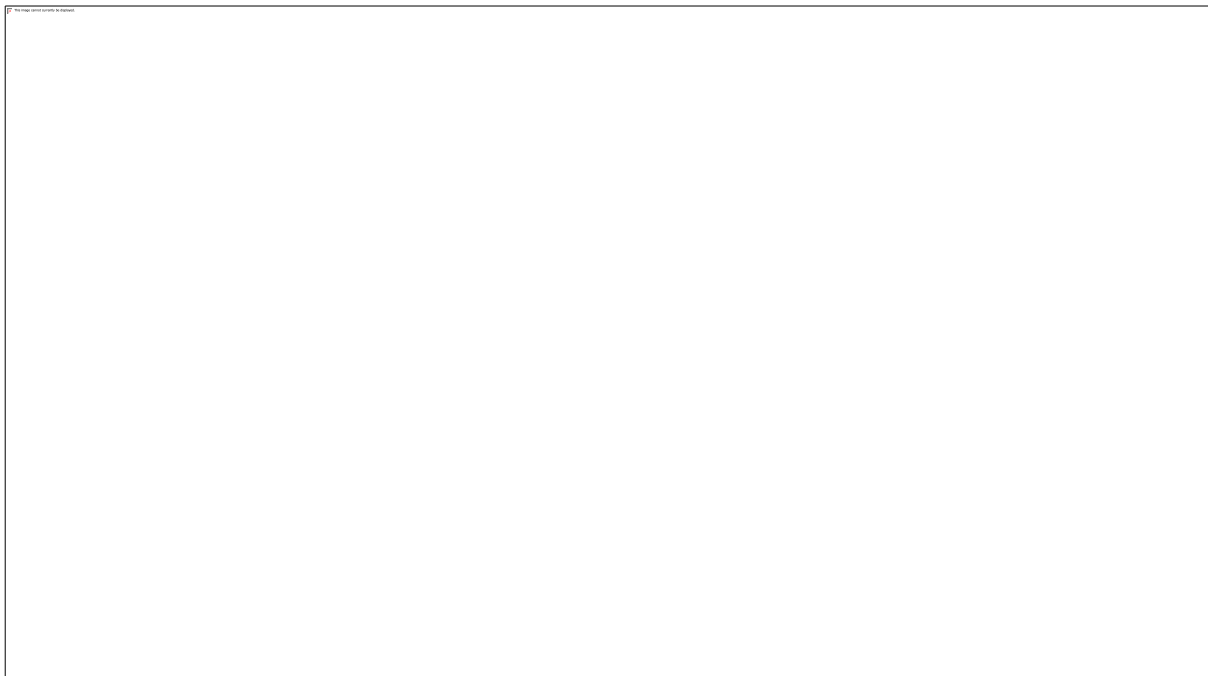
We have:

- Delivered over 1,000 affordable homes, nearly a year ahead of schedule
- Let over 30 new build Council homes, with a further 120 new build Council homes on site

- Designed a further 21 new development sites which will be delivered through a range of delivery vehicles
- Prevented 90 families from becoming homeless
- Made additional temporary accommodation available to vulnerable individuals
- Provided additional support and well-being services to vulnerable households
- Mitigated the impact of Covid on rent arrears and maintained our income
- Continued with our voids, maintenance and adaptations programmes
- Continued with our servicing programmes for boilers and smoke detectors
- Reviewed the first year of 'Canfod Cartref', our choice-based lettings system
- Submitted successful grant bids for the Optimised Retrofit Programme to decarbonise our homes
- Worked with Cardiff University to model and develop our Decarbonisation Strategy
- Maximised our income through successful grant funding bids including Integrated Care Fund, Land Release Fund and IHP Optimised Retrofit Grant
- Continued to respond and take appropriate action to deal with anti-social behaviour

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 FOUR key themes that have been identified that will drive our business for the next three years.

What your rent was used for in 2020/2021



Context

The CHS+ Business Plan

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

- Over 9,000 homes;
- Over 1,400 garages (including bases); and
- Housing portfolio land

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

Outlined in this Plan are the delivery programmes for CHS+ that will enable us to maintain full compliance with WG's Quality Standard (WHQS). We will focus on:

- Demonstrating sustained commitment and investment in repairs and maintenance
- Appraising options for some of our more uneconomic housing stock
- Our ambition to develop a new affordable housing and regeneration master plan
- Getting value for money through capital and revenue spend, ensuring value for money

We will invest nearly £56m in our existing homes over the next three years. £3m will be allocated to affordable warmth and decarbonisation initiatives. The plan has a revenue provision of £36m for repairs and maintenance and over £49m will be invested in building new Council homes.

Approach to managing assets

Our approach goes beyond repair and maintenance. 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 of the high quality. Applying an effective asset management strategy will help us achieve this. It will go beyond general compliance, ensuring value for money, and providing confidence that this is a well-managed service.

Underpinning this are the following principles:

- Engage with tenants, stakeholders and Members and as far as is possible, meet aspirations and priorities
- Assess the condition of our stock regularly to inform our cyclical work programmes and review/ revisit any homes that do not meet the CHS+
- Respond to and carry out work in line with legislative changes e.g. health and safety

- Respond to unplanned failures in homes to avoid further deterioration or disrepair
- Bringing voids back into use quickly and efficiently without compromising standards
- A programme of environmental estate improvements that is strategically targeted, that will improve our neighbourhoods and communities
- Check on all homes annually and increase their frequency where issues are identified
- Continue to invest in adapting homes to suit the needs of tenants
- Understand the future investment required for sheltered housing and developing our offer to older people that is attractive and meets their needs
- Delivering more affordable homes through new build and utilising the private housing sector
- Procure services properly and where possible use local suppliers or contractors to encourage the local economy, develop skills and talents for future years

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

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

Homes Every year there are a small number of homes that need major work where the previous tenants have declined the CHS+ works, or where structural works are identified. We will monitor these and intervene appropriately.

Before committing to do the work, we need to ensure that the cost of work is proportional to the value of the property and demand for housing. For consistency, extensive work programmes, for one or many houses, will be assessed based on the Most Satisfactory Course of Action (MSCA). This will allow us to establish the net value of the homes over a 30-year period and whether it is worth investing in them.

Garages We have been gathering information on the types of agreements used and the condition of garages, by establishing who uses the garages and bases. Our intention is to standardise agreements and charges and consult owners and leaseholders on future options for garage sites including repairs or even demolition if they are unsafe or unused.

Land We own areas of land across the County. As part of our commitment to affordable housing, we have identified areas of land that could be used for development, prioritising those in areas of greatest need and meeting the Councils wider strategic regeneration priorities.

We may sell land which we have no use for it and costs us to maintain. The receipts from sales will contribute to maintaining the CHS+.

**Sewage
Treatment
Works**

We currently have 15 treatment works serving 154 homes and 8 septic tanks. Covid restrictions delayed the options appraisal in 20/21. However, we will revisit the charging arrangements and monitor the ongoing maintenance of these facilities and further consider a programme of remedial works that will comply with licence discharge conditions

We will develop a programme and consult with residents on the future strategy for maintaining and charging for sewage treatment works.

Theme 1 – Supporting Tenants and Residents

The commitment and support of our tenants and Members continues to be important to us, to ensure that we maintain and improve on the CHS+ in the future.

Tenant and resident engagement and communication

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

We also believe we should give our tenants the opportunity to influence decisions about their homes, the area where they live and ensure the services they receive are value for money. Our vision is: -

“To make it easy and inviting for tenants to get involved in shaping strategic decisions and improve services through meaningful involvement by ensuring residents have the relevant skills”.

Impact of Coronavirus.

Covid 19 has impacted significantly on a many of our activities and the way we engage with our tenants. Events and projects had to be postponed during the lockdown periods last year until a time that they were safe to resume. Tenants have previously told us of the importance of communication and keeping in touch. We ensured that vulnerable tenants weren't left isolated during this time and found new ways to communicate with them through technology and other digital platforms such as WhatsApp.

TPAS Cymru¹ is an independent body that represents tenants' interests. We asked them to conduct a gap analysis on our communication platforms with tenants, gaps in tenant feedback and best practice and future requirements under a revised WHQS. The results will be incorporating in our future engagement plans.

What are our tenants telling us?

We have previously undertaken tenant satisfaction surveys. In total, 2,087 tenants took part in the survey, which represented a 29% response rate overall. A quarter of the total number of responses were collected online (513), and 82 surveys were completed in Welsh (4%).

82 % satisfied with the service overall

¹TPAS Cymru- Tenant Advisory Participation Service



Tenants aged under 25 or over 65 were the most satisfied;



Satisfaction rates were lower for 35-54-year-olds;



Satisfaction rates did vary by wards; and



There were clusters of below average satisfaction in more urban wards.

Generally, our satisfaction rates were greater than the national average for other stock retaining authorities but slightly lower than other registered social landlords. Satisfaction in responding to repairs and carrying out works was comparable. However, listening and acting on tenants' views was lower and requires further work.

What happens next?

- Gain a better understanding of differences in satisfaction rates by ward from the STAR survey
- Revamp of our approach to the way we listen and act on tenant's views
- Give tenants a say through single-issue meetings, digital participation and challenge panel and ensure they have the skills and support to take part
- Engage with tenants on our plans to decarbonise their homes
- Continue with the roll out of time-banking platform "Connect to Carmarthenshire"

Responding to Universal Credit & Covid 19

Universal Credit (UC) was introduced in Carmarthenshire in 2018 and replaced six legacy benefits including Housing Benefit. We currently have 1855 tenants on Universal Credit and a further 3693 that could transfer across. How tenants on UC currently pay their rent is shown in Appendix B.

We anticipated a significant increase in rent arrears in the short to medium term based on other Local Authority experiences. The pandemic will have also affected the way working families or individuals pay and we have allowed for this within this plan through bad debt provision. However, we are pleased to say that, to date, there has only been a slight increase in rent arrears overall compared same time last year – about £300K. We will continue to monitor this and take appropriate measures to mitigate the impact of UC and Covid in 2021/22.

Continuing with our pre-tenancy service will also help new tenants understand what is expected from them and that they are 'set up' well from the start. We ensure that tenants are financially stable whether that's helping them with applications, setting up a direct debit and/ or providing furniture or white goods will help lower debt and maintain income.

Theme 2 – Investing in Homes and the Environment

In 2015 we completed the CHS+ programme of works to all homes where tenants had agreed to the work- well before WG’s target of December 2020. This is in line with our agreed assumptions that the standard of our homes will be to the CHS+ and replacement programmes will be based on condition, not time.

This year WG will develop a new WHQS that will build on what has already been achieved through the CHS+. It will feature an increased standard for energy efficiency performance. Our new homes have been designed to be highly efficient and highly affordable for our tenants. To address any inequality where affordable warmth is concerned, we will develop a new standard where new technology is introduced into our existing homes. We will improve the fabric of the building to conserve heat.

We acknowledge that housing will play a significant part in contributing to the Councils overall ambitions to become a ‘net zero carbon’ Authority by 2030, lessen the impact on our environment and contribute to tackling the climate emergency. We will achieve this by:

Research & Modelling

Following two successful grant funding bids to WG, Carmarthenshire will work with Cardiff University’s Welsh School of Architecture to model housing stock data and research the different retrofit models that could be applied to different housing types. We will also look at the cost of each solution, how they work together and how they can be applied to our cyclical programme as well as the impact on health, living conditions and fuel poverty. This will complement previous research - SPECIFIC 2 LCBE (European Regional Development Fund)

Robust Decarbonisation Strategy

The research programme will inform our decarbonisation strategy which will:

- Address the challenges and increase the impact of the Optimised Retrofit Programme by moving at scale and pace
- Provide a pathway for retrofitting tenants homes to the expected new WHQS SAP level of 92
- Adopt appropriate standards that will reduce cost and waste
- Accelerate the retrofit programme to stimulate the foundational economy and recovery through local supply chains
- Meet our decarbonisation goals

Monitoring, Evaluation and Training

We will ensure that our officers are trained to the appropriate standard (PAS2035) to survey, design and coordinate retrofit schemes in line with the Decarbonisation Strategy. Funding has been awarded through the research grant. Also, we will need to engage and train tenants to use technologies and heat their homes effectively, so that they have maximum benefit from their high-performing homes

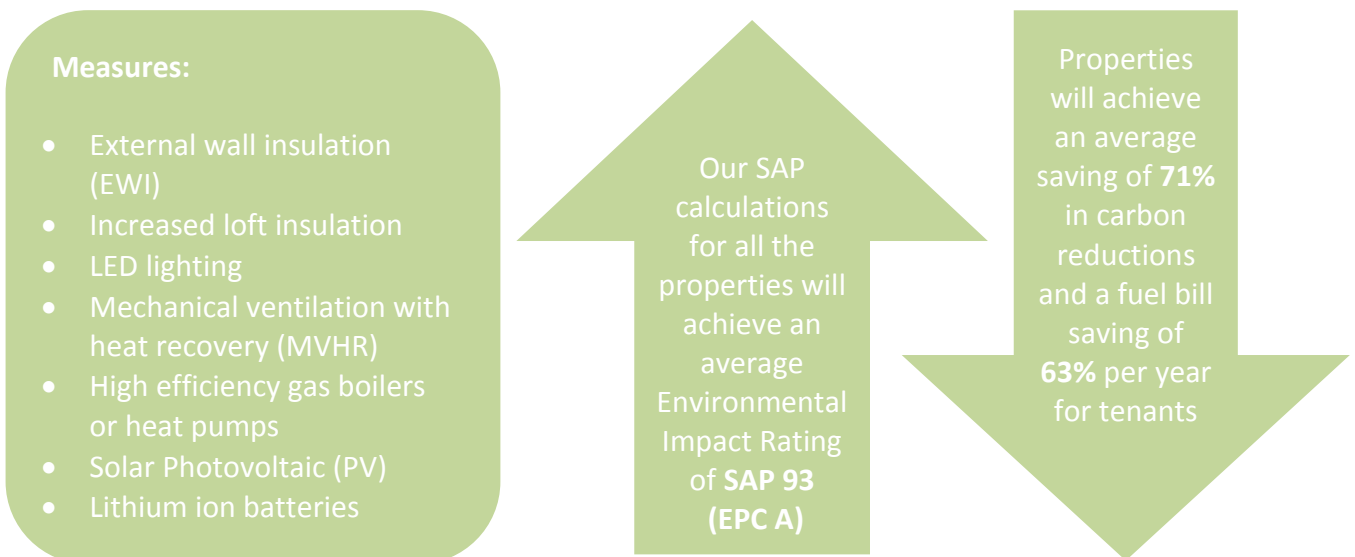
| | |
|--------------------------------|--|
| Homes as Power Stations | Aligned with the above, we also want to maximise the impact of the Swansea Bay City Region Deal 'Delivering Homes as Power Stations' project which may provide additional funding streams and supply chains. Also, it will identify the skills gaps within the market, and we will work with Coleg Sir Gar, the Universities and local businesses to develop these skills and plug the gap |
| Off Grid Solutions | Explore the natural environment and harness off grid energy sources such as wind and water to help to generate sustainable and affordable energy |

Our Vision

“Develop a new Carmarthenshire Standard by continuing to move towards carbon neutral homes, both existing and new, ensuring that new supply chains, jobs and training opportunities are delivered”

Our approach & findings so far

We have already undertaken some research and modelling and applied this to some of our new schemes, such as Coleshill Terrace and to seven void retrofit projects. The Coleshill project offers a solution for shared housing and flats, which WG have found it difficult to find a solution for. The void properties represent a quarter of our typical archetypes. One of those properties offers an off-grid energy solution where an air source heat pump will be installed. We anticipate the following results by installing the measures listed:



The true cost of decarbonisation will become apparent as we model and develop our decarbonisation strategy. We also know that different models will be required for different homes, in different locations – multiple solutions.

Maintaining the Carmarthenshire Homes Standard Plus (CHS+)

Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Maintaining the standard is a statutory duty, and the Council has made a commitment to achieve and maintain the CHS. The standard is laid out in the Compliance Policy (Appendix E).

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

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

| | | |
|---------------------------------------|---|--|
| External Works and Environment | <p>Our homes are generally in good condition and meet the CHS+. The aim is to achieve economies of scale by only replacing components nearer to the time of failing; including rendering and roofing upgrading/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 programme to include external wall insulation (EWI) • Working with a range of partners to identify opportunities to install low carbon technologies to our homes • Continue our programme of replacing structural boundary and retaining walls • Ensuring sheds/ outhouses, gardens, paths and fencing meet the CHS+ standard where reasonably practicable |
| Empty Council Homes (Voids) | <p>Our aim is to let empty Council homes as quickly as possible, striving to meet customers' expectations, reduce rent loss and reduce the pressure on front line homelessness services particularly over the past 12 months</p> | <ul style="list-style-type: none"> • Completing individual options appraisals if homes are no longer fit for purpose • Making sure that homes are maintained and repaired to our standards, together with making sure gardens are clear of rubbish • Make empty properties available for letting as quickly as possible • Ensuring every new tenant receives relevant information and certification about their new home |
| Improving Standards | <p>Tenants have told us they want a standard that continues to evolve</p> | <ul style="list-style-type: none"> • Engaging with tenants on our Decarbonisation Strategy and ensure they become fully involved • Giving tenants a say through single-issue meetings, digital participation and challenge panel • Developing an energy savings programme and ensure we have robust Energy Performance Certificate (EPC) data to better inform future workstreams • Providing adaptations for our tenants to meet their needs and maintain their independence • Meet the needs of households on the Accessible Housing Register (AHR) through conversion or where an empty Council property with existing adaptations is matched to a new household |

-
- Evaluating the results of the pilot study on the treatment of lichen and algae growth on affected homes and determining a suitable remedy
 - Investigating the costs of external works such as gutter clearance and external high-level cleaning on homes
-

“In a recent tenant survey 75% of tenants were satisfied with repairs and maintenance overall; and 79% of tenants were satisfied with last completed repair”.

The detail of the type of work to be completed in 2021/22 can be found in Appendix D. This includes works (capital & revenue) that weren't completed in 2020/21 because of the pandemic and have subsequently been rolled forward to future years.

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 CHS+ Working Group, as set out in our governance structure.

Radon Testing Programme - Following guidance issued by the Welsh Government 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 will contact tenants and arrange to place radon detectors in specific, discreet locations within the house and will be left there for 3 months to gather data. We will contact tenants with the results and let them know if we need to take remedial action if levels are higher than recommended.

Anticipated Development, Initiatives and Opportunities

Older people's future housing - The evidence of what is needed to meet older people's future housing and accommodation requirements suggests that mix of housing models and approaches will be required over the next 10-20 years. This range covers general needs housing, specialist housing (i.e. housing specifically for older people) and care-based provision (residential/ nursing care, hospital-based care). Within our sheltered schemes we will also consider the communal facilities and living arrangements to manage public health and infection transmission.

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 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
- Transferring lifelines from non-scheme sites to our Telecare service (Delta Wellbeing)
- Introduce broadband to all our schemes so that all tenants are connected

Developing assisted living options for older people - We will consider the requirements and options to develop independent and supported living at Pentre Awel. This will include options for general needs and specialist housing.

Regeneration plans for Tyisha (Llanelli) - We have developed a transformational plan for the area. The main elements involve developing the area around the railway station to create a gateway into the town centre to include new housing, environmental and street scene enhancements. The aim is to improve the Station Road area that will link the town centre to the Pentre Awel and provide new housing solutions including options for key workers. Our plans involve working with the community to help regenerate the area and bring prosperity to the most deprived ward in the county.

Supported Housing (Mental Health & Learning Disabilities) – Projects are usually commissioned for accommodation and support for individuals or groups of people that have learning difficulties or mental health needs. Through a planned approach and understanding the medium to long term need, we will make available housing that can be used for this purpose and provide an option for transitional care arrangements. By bringing the landlord function ‘in house’, and commissioning the care separately, we can lower the cost and liability to other services and provide safe, decent and affordable accommodation for our most vulnerable clients. This is not intended for crisis management. We will redesignate houses within the current stock or purchase additional homes for this purpose where a need is identified. We want to offer tenants a choice over where they would like to live and who the support provider is.

Theme 3 – Providing more homes

Providing more affordable homes has been a key a strategic priority for the Council for several years:

- In 2015, we published our five-year vision¹ to increasing the supply of affordable homes.
- In 2016, we set out our first ambitious programme to deliver over 1000 affordable homes² by April 2021, a target we achieved nearly a year ahead of programme
- In September 2019 we published our transformational plan to build over 900 new Council homes, investing nearly £150m across the county by 2029³

Our affordable housing plans will play a key part in economic recovery following the Covid19 pandemic. The investment will help stimulate the foundation economy and the local supply chain. It will also help regenerate town centres and rural communities as we provide more homes in these areas to meet housing need.

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

Affordable Housing Performance

The first five years have been very successful with over 1,150 additional affordable homes delivered by the end of 2020, exceeding our original target of 1,000 homes nearly a year early. This includes the completion of our first Council new build development at Garreglwyd in Pembrey and the completion of phase 1 at Dylan in Bynea.

Our overall performance for the first five years (2016/17 - 2020/21) is shown in the graph below:



¹ Our Commitment to Affordable Homes – Agreed by Council in October 2015

² Affordable Homes Delivery Plan – Agreed by Council in March 2016

³ Building More Council Homes – Our ambition and plan of action – Agreed by Council in September 2019

The delivery of these affordable homes has been achieved by using a variety of innovative solutions including:

- building new Council homes
- buying private sector homes
- supporting landlords in the private rented sector with our Social Lettings Agency
- bringing empty homes back into use
- supporting our housing association partners to build new homes through the social housing grant programme
- Section 106 developer contributions through the planning system.

It was always anticipated that over time, we would need to provide even more affordable homes to meet the actual housing need in the County. Our ambitious new build programme was developed to help us achieve this.

Our Council New Build Programme

In September 2019, we published our first ambitious Council new build programme. This programme will deliver over 900 new Council homes with a 10-year investment programme of nearly £150m and is in addition to the Affordable Homes Delivery Plan that has already delivered over 1,150 homes.

Plans are already underway to develop over **400 homes** with a total investment exceeding £49m during the first three years of this programme. This investment is currently made up of HRA capital funding and external grant funding which is likely to increase as more funding becomes available from WG. The new build programme was developed by:

- Prudent financial management
- Maximising external funding opportunities, including Affordable Housing Grant and Innovative Housing Programme Funding
- Identifying a range of delivery vehicles including working with private sector development partners and the local housing associations to deliver more homes
- Following the four affordable housing action areas developed as part of the Affordable Homes Delivery Plan, linking wards geographically and culturally

The delivery of our new build programme begun in September 2019 with works starting on two sites (Garreglwyd in Pembrey and Dylan in Bynea) and creating 46 homes. Garreglwyd and Dylan (Phase 1) are now fully occupied.

Between January 2020 and March 2021 works began on a further seven sites, creating a further 99 homes, including:

| | |
|--|---|
| Glanmor Terrace, Burry Port | This development will create 32 highly energy efficient homes that will lower fuel bills as well as carbon emissions. This development attracted £4.7m of Innovative Housing Programme Grant in 2019/20. |
| Gwynfryn, Ammanford | This development will create 28 homes, am mix of 2, 3 and 4-bedroom homes meeting local housing need. This development attracted £3m of Affordable Housing Grant in 2019/20 |
| Maespiode, Llandybie | This is a small development of 8 two-bedroom homes that will help meet housing need in the area |
| Market Street North, Llanelli Town Centre | This development will create 10 apartments in Llanelli Town Centre. It is part of a wider development to regenerate Llanelli Town Centre and also attracted Target Regeneration Investment Funding (TRI) to demolish the existing building and develop 4 commercial spaces on the ground floor. |
| YMCA Building, Llanelli Town Centre | This site is also part of a wider development to regenerate Llanelli Town Centre and also attracted Target Regeneration Investment Funding (TRI) for the development of new commercial spaces in this historic building. The development will create 8 new apartments in Llanelli Town Centre. |
| Coleshill Terrace, Llanelli | This development will create 8 highly energy efficient apartments that will help mitigate fuel poverty as well as reducing carbon emissions. This development forms part of our assisted living project that creates homes specialist accommodation |
| Heol Aman, Glanamau | This development also forms part of our assisted living project. This development will create 5 assisted living apartments |

Our new build programme is fully underway, 30 new homes have already been let and a further 8 new build developments are on site that will create a further 120 homes. Works are currently on-going on the development of a further 21 sites.

The Future- Creating a 10 Year Affordable Housing and Regeneration Master Plan

Following the success of the Affordable Homes Delivery Plan and the New Build Programme we plan to develop a new 10 Year Affordable Housing and Regeneration Master Plan by the autumn.

The plan will provide even more opportunities for investment and regeneration that will shape the construction industry and create local jobs and training prospects. Not only will the plan boost our supply of much needed social housing, it will also have a pivotal role in delivering the wider Council priorities to grow the local economy and recover from the economic devastation caused by Covid 19. Our approach and delivery will be based on expanding the innovative solutions listed above and by maximising every funding opportunity to support wider regeneration initiatives. This includes rural areas, town

centres and being part of and contributing to the Swansea Bay City Region Deal- Homes as Power Stations programme.

Theme 4 – Foundational Economy, Community Benefits and Procurement

As an Authority we fully understand the importance of this Plan and its role across the wider capital investment programme to stimulate, support and develop the foundational economy. As part of our COVID-19 economic recovery plans, we will be looking to further develop the Council's approach to procurement in order to ensure we maximise our contribution to local economic prosperity and enhance our focus on social value and community wealth. Our aim is that the different local foundational economy sectors benefit and thrive. It is therefore important that our investment plans:

- contribute to the immediate recovery from the Covid 19 pandemic
- are sustainable in future years as we continue to invest and maintain our homes
- enable local businesses and industries to develop, grow and lay down strong roots
- keep the pound local, benefiting our economy and contribute directly to the prosperity of our County and its residents
- create new jobs and training opportunities for local people

As we move forward with our recovery plans the CHS+ and Council new build programmes will provide sustained periods of trade and benefit local contractors and builders. This will create more jobs, training opportunities and other community benefits. Whilst local and national restrictions have made it difficult to work in tenants' homes, our new build schemes have been able to carry on at 'scale and pace'. Our future new build programmes will have greater 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 CHS+ 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 council housing stock is in rural market towns and in rural areas. Encouraging small to medium enterprises (SMEs) to participate in those areas will help with local employment and allow young people to stay in the community where they want to live.

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



- £333,011 of work carried out via the framework
- Every £1 spent, £1.58 was reinvested into the local economy
- 50% was spent on local businesses
- £31,888 were cash contributions or sponsorships
- £930 was for in kind donations (labour, goods and services)
- 4 new job created directly through our investment
- 135 weeks of training was provided
- 5 Apprenticeships started
- 2 work experience / internship opportunities
- 16 non-accredited training opportunities were completed

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

It is however, extremely important that all contracts demonstrate good value for money and through the Regional Contractors and the Minor Works Framework we will challenge their costs and the principles of construction to make sure that we achieve this.

Procuring services whether through the framework or competitive tender must be equitable for us as the Council, the contractor and for our tenants. Ensuring that we have value for money is our upmost priority, but if we have the chance to support local suppliers through our investment programme, we will do so. The local supply chain will become even more important in the years to come as is helping smaller enterprises to competitively tender for contracts or join a framework. This will increase the quality and standard of workmanship, improve skills and lower cost without making it unprofitable for smaller companies.



Funding and Risk Management

Major Repairs Allowance

Every year we receive over £6 million from WG to support our capital investment. The grant comes with clear guidance on what it can and cannot be used for. The main condition is that it must be spent on property within the HRA. It cannot be used for revenue repairs or maintenance, demolition costs, repayment of borrowing etc. A full breakdown can be found in our MRA acceptance letter issued by Welsh Government.

The MRA makes a significant contribution towards achieving and maintaining the CHS. A reduction or ending the MRA could be detrimental to future investment plans.

Planning Assumptions

To help us plan our investments, we must make certain assumptions. Changes to our assumptions may mean re-visiting the objectives included in this plan.

INCOME

| | |
|--|---|
| Major Repairs Allowance (MRA) <i>i.e. the amount of capital funding we get from the Welsh Government</i> | £6.2m each year. This is on the basis that we receive an average £682 for each home. |
| Rent increase 2020/21 | 1.5% average (with a maximum progression of £1 per household) |
| Future rent increase levels <i>Based on Welsh Government Policy</i> | Consumer Price Index plus 1% from 2021/22 for 5 financial years |
| Borrowing and direct revenue financing (DRF) | Borrowing £51m and utilising £32m DRF over next 3 years to Maintain the CHS+ And deliver our Affordable Homes ambitions. |

OTHER

| | |
|--|--|
| Expenditure/income inflation | Employees' pay at 2.75% for 2021/22 as per the council fund, general inflation at 2% |
| Right to Buy receipts <i>i.e. Money we get from tenants' buying their home</i> | No receipts from 1 st April 2015 following suspension of Right to Buy |
| Balances on the revenue account <i>i.e. the amount of money we need to keep in reserve</i> | Minimum of £4.5m (based on £150 per property) |

SPENDING

| | | |
|---|--|---|
| Assumed Borrowing costs <i>i.e. the amount it costs to borrow money</i> | Cost of existing and new debt: 2021/22: 3.93% And future years | Cost of exiting HRAS: Average of 4.57% |
| Provision for Bad debt <i>i.e. debt that we will be unable to recover</i> | 2021/22: £594k 2022/23: £648K 2023/24: £666K | |

| CAPITAL SPENDING TO: - | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 |
|---|---------------------------|---------------------------|---------------------------|
| | (£000s) | (£000s) | (£000s) |
| Maintain the standard: | | | |
| All Internal works | 3,592 | 3,500 | 3,400 |
| All External Works | 4,000 | 4,000 | 4,000 |
| Voids and Major Works to homes | 5,250 | 3,000 | 3,000 |
| Structural works - Estates and boundary walls (inc. identified structural works) | 600 | 1,300 | 1,521 |
| Decants | 150 | 150 | 150 |
| Support Tenant and Residents: | | | |
| Sheltered Scheme Investment | 1,294 | 664 | 650 |
| Assisted Living Projects | 949 | 1,025 | 500 |
| Adaptations | 1,500 | 1,500 | 1,000 |
| Environmental works | 380 | 380 | 380 |
| Provide more affordable homes: | | | |
| Housing Development Programme | 17,793 | 18,840 | 12,850 |
| Decarbonisation: | | | |
| Works to deliver decarbonisation | 200 | 1,380 | 1,500 |
| Support the delivery of CHS+: | | | |
| Programme management | 656 | 669 | 682 |
| Stock condition information | 240 | 240 | 240 |
| Risk Reduction Measures | 845 | 557 | 557 |
| Sewerage treatment works & associated costs | 184 | 220 | 160 |
| TOTAL | 37,633 | 37,425 | 30,590 |

| CAPITAL FUNDING FROM: - | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 |
|--------------------------------------|---------------------------|---------------------------|---------------------------|
| | (£000s) | (£000s) | (£000s) |
| Welsh Government Grant - MRA | 6,228 | 6,228 | 6,228 |
| Welsh Government Grant - IHP & other | 1,600 | 1,700 | 1,700 |
| Direct Revenue Financing | 11,333 | 9,882 | 10,347 |
| External Borrowing | 18,472 | 19,615 | 12,315 |
| TOTAL | 37,633 | 37,425 | 30,590 |

| REVENUE SPENDING TO: | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 |
|---|---------------------------|---------------------------|---------------------------|
| | (£000s) | (£000s) | (£000s) |
| Repair and maintain homes | 11,833 | 11,890 | 12,149 |
| Supervision and management | 10,458 | 10,693 | 10,986 |
| Support services e.g. legal and finance | 1,714 | 1,749 | 1,784 |
| Provision for Bad debts | 594 | 648 | 666 |
| Direct Revenue financing | 11,333 | 9,882 | 10,347 |
| Capital charges | 15,068 | 15,984 | 16,694 |
| TOTAL | 51,000 | 50,846 | 52,627 |

| REVENUE FUNDING FROM: | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 |
|--|-------------------|-------------------|-------------------|
| | (£000s) | (£000s) | (£000s) |
| Tenant rents | 42,025 | 44,473 | 46,138 |
| Service charges | 816 | 837 | 863 |
| Interest received | 8 | 5 | 3 |
| Housing Finance Grant 2 | 246 | 246 | 246 |
| Water rates commission | 315 | 319 | 323 |
| Grants / Other | 1,136 | 1,150 | 1,164 |
| TOTAL | 44,545 | 47,030 | 48,737 |
| Difference between 'Revenue Funding' and 'Revenue Spending'* | -6,456 | -3,816 | -3,889 |

| HRA END OF YEAR POSITION: | Budget 2021/22 | Budget 2022/23 | Budget 2023/24 |
|--|-------------------|-------------------|-------------------|
| | (£000s) | (£000s) | (£000s) |
| Balance brought forward from last year | 18,624 | 12,168 | 8,353 |
| HRA budgeted difference * | -6,456 | -3,816 | -3,889 |
| BALANCE CARRIED FOWARD | 12,168 | 8,353 | 4,464 |

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

Risk Management

Each year, as part of the HRA business planning process, we identify, assess and prioritise potential risks and consider the likelihood and impact of each. This exercise is carried out by each service delivery area. Once this has been done, we identify ways in which we can reduce or manage the potential risk and impact. These are recorded corporately and monitored regularly.

The greatest risks identified in delivering this plan are:

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

All risks are monitored by the CHS+ Working Group.

Compliance, Verification and Monitoring

Compliance and Acceptable Fails

Recording compliance and acceptable fails is not a simple collection of condition information for things like kitchens, bathrooms, electrics and so on. It is a combination of occupancy and property condition information. Surveying of homes, collating of information, how we manage our data, and the ability to report 100% accurate information, are all data-hungry activities.

An acceptable failure occurs when an individual component e.g. a kitchen or bathroom, has not been completed for one or more of the following reasons:

- Cost of remedy
- Timing of remedy
- Resident's choice
- Physical constraint

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

Energy Efficiency

We have had several different programmes running to improve the energy efficiency of homes. These programmes have helped save tenants money on their heating costs and improve the SAP rating of our homes. The average SAP across our stock is 65 out of 100 which meets the current requirements of the WHQS. The new WHQS is likely to require our housing stock to reach a SAP rating of 92.

Independent Verification

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

- Demonstrating compliance by ensuring there is a clear separation of duties between CCC staff reporting compliance and those staff responsible for delivering the CHS+
- Using internal staff in conjunction with external support, where necessary to undertake desktop reviews
- Commencing a sample programme of stock condition visits every year
- Asking tenants how they would like to be part of the process of verification
- Continuing to use a range of methods to assess compliance. Some data is already independently collected, e.g. boiler inspections, EPCs and electrical tests
- Providing Home Information packs for all new tenants, informing them of boiler inspections, asbestos advice, Energy Performance Certificates, electrical tests and when any outstanding CHS+ work will be carried out.

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