

## **Y BWRDD GWEITHREDOL 22 CHWEFROR 2021**

### **Y PWNC: CYNLLUN BUSNES SAFON TAI SIR GAERFYRDDIN A MWY (STSG+) 2021-24**

#### **Y Pwrpas:**

- Egluro gweledigaeth a manylion Safon Tai Sir Gaerfyrddin a Mwy dros y tair blynedd nesaf, a'r hyn y mae'r Safon yn ei olygu i'r tenantiaid
- Mae'r incwm a gawn gan renti tenantiaid a ffynonellau ariannu eraill yn rhoi rhaglen gyfalaf o £107m i ni dros y tair blynedd nesaf i:
  - adeiladu dros 400 o dai fforddiadwy
  - gwella a chynnal ein stoc bresennol
  - datblygu safonau newydd ar gyfer effeithlonrwydd ynni a symud tuag at gartrefi carbon niwtral
- Dangos sut y gall y rhaglenni buddsoddi mewn tai helpu i ysgogi'r economi leol a'i hadfer yn dilyn Covid-19
- Llunio cynllun busnes ar gyfer y cais blyneddol i Lywodraeth Cymru am y Grant Lwfans Gwaith Atgyweiriadau Mawr (MRA) ar gyfer 2021/22, sy'n cyfateb i £6.2 miliwn.

#### **Yr argymhellion / penderfyniadau allweddol sydd eu hangen:**

- Cadarnhau gweledigaeth STSG+, y rhaglen adeiladu newydd y Cyngor, a chadarnhau'r rhaglen ariannol a'r rhaglen gyflawni dros y tair blynedd nesaf
- Cytuno y gellir cyflwyno Cynllun Busnes 2021/22 i Lywodraeth Cymru
- Nodi'r egwyddorion sydd wrth wraidd symud tuag at gartrefi carbon niwtral a datblygu strategaeth datgarboneiddio i gefnogi hyn
- Nodi pwysigrwydd y buddsoddiad sydd wedi'i gynnwys yn y cynllun hwn a'i rôl o ran ysgogi'r economi leol a'i hadfer yn dilyn pandemig Covid-19.

#### **Y rhesymau:**

- Er mwyn parhau â'n gweledigaeth ar gyfer STSG+ i gyflawni'r hyn sydd o wir bwys i denantiaid
- Parhau i gefnogi tenantiaid drwy gynnal y safon a chyflymu'r broses o ran sut rydym yn ymdrin â'r agenda ddatgarboneiddio. Bydd hyn yn caniatáu i STSG+ ddatblygu ymhellach i fod yn addas ar gyfer y dyfodol. Cynllunnir buddsoddiad cyffredinol o £56m dros y tair blynedd nesaf;
- Adeiladu ar ein Cynllun Tai Fforddiadwy llwyddiannus er mwyn darparu rhagor o dai cost isel o safon dda. Bydd y buddsoddiad, sydd eisoes wedi'i gadarnhau, yn targedu'r

<p>aelwydydd hynny sydd fwyaf mewn angen, a dros dair blynedd y cynllun hwn, bydd bron £49 miliwn yn cael ei fuddsoddi</p> <ul style="list-style-type: none"> <li>Cysylltu ein rhaglen buddsoddiadau tai â mentrau adfywio ehangach gan roi pwyslais gwirioneddol ar ddatblygiadau yn ward Tŷ-isa, Pentre Awel, Canol Trefi a threfi gwledig allweddol</li> <li>Er mwyn sicrhau bod yr Aelodau'n ymwybodol bod cyflawni'r Cynllun yn dibynnu ar godi rhenti gan 1.5% ar gyfartaledd yn 2021/22; a</li> <li>Cael mynediad at grant Lwfans Atgyweiriadau Mawr gan Lywodraeth Cymru (£6.2m) ar gyfer 2021/22 i helpu i gynnal ein tai presennol.</li> </ul>	
<p>Angen ymgynghori â'r Pwyllgor Craffu perthnasol : OES - Y Pwyllgor Craffu - Cymunedau ac Adfywio - 2 Chwefror</p> <p><b>Y BWRDD GWEITHREDOL / CYNGOR / PWYLLGOR:</b>  <b>Argymhellion / Sylwadau'r Pwyllgor Craffu:</b></p> <ul style="list-style-type: none"> <li>Penderfynwyd argymell i'r Bwrdd Gweithredol i gymeradwyo'r Cynllun Busnes 2021-24 Safon Tai Sir Gaerfyrddin a Mwy (STSG+).</li> </ul>	
Angen i'r Bwrdd Gweithredol wneud penderfyniad	OES – 22 Chwefror, 2021
Angen i'r Cyngor wneud penderfyniad	OES - 3 Mawrth, 2021

<p><b>YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:-</b></p> <p>Y Cyng. Linda Evans (Deiliad y Portffolio Tai)  Y Cyng. Hazel Evans (Deiliad Portffolio yr Amgylchedd)  Y Cyng. David Jenkins (Deiliad y Portffolio Adnoddau)</p>		
<p><b>Y Gyfarwyddiaeth:</b> Cymunedau</p> <p><b>Enw Pennaeth y Gwasanaeth:</b> Jonathan Morgan</p> <p><b>Awdur yr Adroddiad:</b>  Gareth Williams</p> <p>  Rachel M Davies</p>	<p><b>Swydd:</b> Pennaeth Cartrefi a Chymunedau Mwy Diogel</p> <p>  Arweinydd Buddsoddi mewn Tai</p> <p>  Rheolwr Strategol Darparu Tai</p>	<p><b>Rhifau Ffôn / Cyfeiriadau E-bost:</b></p> <p><a href="mailto:JMorgan@sirgar.gov.uk">JMorgan@sirgar.gov.uk</a> 01267 227285</p> <p><a href="mailto:GaJWilliams@sirgar.gov.uk">GaJWilliams@sirgar.gov.uk</a> (01554) 899245</p> <p><a href="mailto:Ramdavies@sirgar.gov.uk">Ramdavies@sirgar.gov.uk</a> (01554) 899202</p>

**EXECUTIVE SUMMARY  
EXECUTIVE BOARD  
22<sup>ND</sup> FEBRUARY, 2021**

**SUBJECT:  
THE CARMARTHENSHIRE HOMES STANDARD *PLUS* (CHS+)-  
BUSINESS PLAN 2021-24**

**1. Purpose**

- 1.1. At the start of each we develop a business plan which explains our vision and the three-year housing investment programmes to maintain the Carmarthenshire Homes Standard Plus (CHS +) and deliver more affordable homes.
- 1.2. 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.
- 1.3. The income that we receive from tenants rents and other funding sources affords us an investment programme of over £260m (Capital - £107m and Revenue - £155m) to run our services, build more affordable homes, improve and maintain our existing stock as well as develop new standards for energy efficiency over the next three years.
- 1.4. The plan also reflects on previous years achievements and through careful consideration confirms the financial profile, based on current assumptions, for the delivery of the CHS+ and delivery of more affordable homes, over the next three years.
- 1.5. To help maintain the investment programme, each year we apply for WG Major Repair Allowance (MRA) grant. We access this funding by having a detailed business plan and compliance policy. The MRA application for 2021/22 will equate to £6.2m.

**2. Context**

- 2.1. The Business Plan sets out our priorities, plans and activities for 2021- 2024 for new and existing homes.
- 2.2. In comparison with previous years this year's business plan is different as we try to understand the effects of Covid 19 on our investment programme and how this plan will help with the Councils economic recovery from the pandemic.

- 2.3. The plan also seeks to acknowledge the effects that the pandemic has had on our tenants. It shows how we have developed new ways of communicating with tenants, that has ensured that we have continued engage with them and support some most vulnerable household's in our communities.
- 2.4. A comprehensive investment programme has been developed within the plan to ensure that we carryout the work that we unable to complete in 2020 and accelerate other work programmes such as the new build programme and decarbonisation strategy.
- 2.5. Through careful consideration and planning the plan looks to continually improve the standards within our existing stock, build more homes using innovative technology and ensure that current and future tenants have decent, affordable homes to live in.
- 2.6. As of 31<sup>st</sup> March 2021, 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 CHS+ standards and the main reason was due to resident's choice (95%). A small number of properties (5%) were not improved because of physical constraints or the cost of reedy.
- 2.7. The Council has over 9000 homes and our approach goes beyond general repair and maintenance, it is based on looking at the whole life of the homes. Adopting this approach means that we can guarantee that what we do today, will be fit for purpose and sustainable for years to come.
- 2.8. Over the next three years we plan to deliver a comprehensive work programme that will see an investment of £56m in our existing homes and £49m in building new Council homes.
- 2.9. To maintain this level of investment we have considered a rent increase within the plan. Care has been taken to ensure that this is fair and proportional to the current circumstances and that our tenants do not suffer financial hardship as a result of this decision.
- 2.10. The rental increase included in this plan for 2021/22 has been limited to 1.5%
- 2.11. The plan has been divided into **four** key themes that will drive our business for the next three years. They are as follows:

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**Theme 1- Supporting Tenants & 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. Our tenants are generally pleased with the services they receive with 82% satisfaction overall. We do however understand that there is

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more that we can do to engage with our tenants. We will explore new innovative ways to engage with our tenants and give each and everyone an opportunity to have their say

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**Theme 2- Investing  
in Homes & the  
Environment**

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 in our homes. To address this we will develop a new decarbonisation strategy which will introduce new technology and improve the fabric performance of our homes. These measures will conserve heat and reduce fuel bill for tenants.

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. We will also make sure that our homes are safe by reviewing risk reduction measures, particularly around fire safety and radon. In addition, we will try to anticipate other opportunities whereby we can help improve the services we offer or contribute to the wider Council objectives around regeneration including Tyisha, Pentre Awel, town centres and rural areas.

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**Theme 3- Providing More Homes**

Providing more affordable homes has been a key a strategic priority for the Council for a number of years. Our affordable housing plans will also play a key part in economic recovery following the Covid19 pandemic.

During 2020, we exceeded our target of delivering 1000 affordable homes a year ahead of schedule. Plans are also already underway to invest of £60m and develop over 500 new Council homes over the next 4 years. 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.

Due to the huge success of the Affordable Homes Delivery Plan and the Council New Build Programme we plan to develop a new 10 Year Affordable Housing and Regeneration Master Plan by Autumn 2021.

Our approach and delivery will be based on expanding the innovative affordable housing solutions already developed. It will also include maximising all funding opportunities to support wider regeneration initiatives, including rural areas, town centres and being part of and contributing to the Swansea Bay City Region Deal- Homes as Power Stations programme.

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**Theme 4- Foundational Economy, Community Benefits & 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. We look forward to combining this investment programme with the findings and recommendation of the Centre for Local Economies and Strategies (CLES) when it is available.

As we move forward with our recovery plans the CHS+ and Council new build programmes will provide sustained periods of trade. They will benefit local contractors and builders, creating more jobs, training opportunities and other community benefits. 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.

Procuring services whether through the framework or competitive tender must be equitable for us as the Council, the contractors 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 that.

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- 2.12 Annually the Council reviews the Housing Revenue Account (HRA) Business Plan which sets out the investment needed to maintain the CHS+ 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).
- 2.13 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.
- 2.14 Also included in the plan is how we measure and verify compliance. We believe that we report compliance accurately in achieving and maintaining the CHS+, and we will continue to do so.

### **3. Conclusion**

- 3.1. In concluding, we believe the Business Plan sets out a clear intent to improve our housing stock, look to the future with the decarbonisation strategy that will help our environment and lower tenants fuel bills as well as building more affordable homes to meet an ever increasing need for social housing.
- 3.2. Whilst these are exciting times, we know that this is also a time of uncertainty and anguish for our tenants. As a result, we have been able to keep the rent increase for 2021/22 at its lowest possible, with an average increase of 1.5%.
- 3.3. In light of the Pandemic, the Council, more so now than ever, is committed to stimulating our foundational economy through our housing investment programmes and we trust that this will help our communities to recover and build resilience for the future

- 3.4. Finally, we set out what the key assumptions are to make sure the Business Plan remains viable, what we will spend the money on and how it is funded.
- 3.5. Over the next year we must ensure clarity from Welsh Government on their future financial priorities in terms of maintaining existing standards, introducing new standards to support the decarbonisation agenda and building much needed affordable homes for those in need.
- 4. Recommendations**
- 4.1. To confirm the vision of the CHS+, the Councils new build programme, the financial and delivery programme over the next three years
- 4.2. To agree that the 2021/22 Business Plan can be submitted to Welsh Government
- 4.3. To note the principles behind moving towards carbon neutral homes and developing a decarbonisation strategy to support this
- 4.4. To note the importance of the investment included in this plan and its role in stimulating the local economy and recovery from the Covid 19 pandemic.

**DETAILED REPORT ATTACHED ?**

**YES – Carmarthenshire Homes Standard PLUS (CHS+)  
Business Plan 2021/2024**



# IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Jonathan Morgan

Head of Homes and Safer Communities

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>YES</b>

## 1. Policy, Crime & Disorder and Equalities

The CHS+ will act as the framework for policy development across Homes and Safer Communities and will contribute to wider agendas and programmes.

## 2. Legal

The Housing (Wales) Act 2014 sets out our statutory duty to maintain the Welsh Housing Quality Standard (our version is the Carmarthenshire Homes Standard *PLUS*) in our existing stock.

## 3. Finance

Delivering the CHS+ will continue to present significant financial challenges and risks to the County Council.

A capital investment of £231m has been undertaken to deliver the CHS+ by 2015. This included £117million of unsupported borrowing. Since achieving the CHS, a further £64M will have been spent on maintaining the standard and £45M on providing additional affordable homes in the HRA by the end of 2020/21.

Through careful management, the financial model remains viable to not only maintain the CHS+ and evolve the current standard but also deliver more affordable homes. A summary of costs over the next three years is included in the plan.

A general rent increase of 1.5% for 2021/22 is also assumed in the plan.

#### **4. Risk Management**

The CHS+ programme is identified as moderate risk in the Council's Risk Management Plan. A risk management plan has been developed to mitigate and review all risks associated with the programme.

Failure to deliver a viable Business Plan to Welsh Government by the end of March 2021 will mean the MRA of £6.2m for 2021/22 being withdrawn.

#### **5. Physical Assets**

The CHS+ will involve the management, maintenance and improvement of the Council's housing stock. This will be carried out within the context of our asset management principles which are defined within the plan. Any decision to acquire, convert or dispose of homes, land and/or garage areas will be considered in line with these principles.

This plan will also result in an increase in the number of homes in the Council's housing stock through the Council new build and purchasing private sector homes programmes.

## **CONSULTATIONS**

I confirm that the appropriate consultations have taken place and the outcomes are as detailed below

Signed: Jonathan Morgan

Head of Homes and Safer Communities

#### **1. Scrutiny Committee –**

Community & Regeneration Scrutiny Committee was consulted on 2<sup>nd</sup> February, 2021.

#### **2. Local Member(s) - N/A**

#### **3. Community / Town Council - N/A**

#### **4. Relevant Partners**

Engagement with stakeholders and partners has taken place in order to develop this Plan through digital interaction.

#### **5. Staff Side Representatives and other Organisations**

Engagement with tenants, has taken place in order to develop this Plan, however this has been limited because of the pandemic and stakeholder events, 1-2-1 interviews, visits and events in communities, and various meetings have not been included.

EXECUTIVE BOARD PORTFOLIO HOLDER(S) AWARE/CONSULTED:  YES	
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Section 100D Local Government Act, 1972 – Access to Information		
List of Background Papers used in the preparation of this report:		
Title of Document	File Ref No.	Locations that the papers are available for public inspection
Carmarthenshire Homes Standard PLUS (CHS+) Business Plan 2021/2024	Housing General Files	Council website- Democratic Services