

# Housing Revenue Account Business Plan 2025-27

## Carmarthenshire's Housing Investment Programme Appendix E – Compliance Policy



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## 1. The purpose

- 1.1. The purpose of this document is to confirm our approach to meeting and maintaining the requirements of WHQS 2023 and reporting any local circumstances or decisions that affect the standard of our housing stock.

## 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 2002). By the end of 2015, we were pleased to say that we delivered this programme of improvement, on time, to homes where tenants agreed to have the work carried out. Even though these programmes were delivered, this did not mean the end to us investing in our housing stock. We immediately moved our focus to ensuring that our homes remained compliant with the standard.
- 2.3. In October 2023, the new WHQS 2023 standard was introduced. It follows the principles of the original standard but places a greater focus on decarbonisation and making homes more affordable for tenants. The first key milestone of the standard is to achieve an Energy Performance Certificate (EPC) Band C by 2030. We, however, made a clear commitment in March 2023, before the new standard was introduced to ensure that all of our homes achieved a minimum EPC Band C Energy as quickly as possible.
- 2.4. Today, over 51% of our housing stock already achieve a minimum EPC Band C. This follows the Council's key principles of net zero carbon. It also supports our vision of supporting tenants by creating affordable warmth during financial challenging times.
- 2.5. We acknowledge the importance of strategic asset management in providing the foundation for our all our housing investment plans, as well as the central role of supporting tenants and residents in everything we do. The 2025/27 business plan covers four key themes that have been identified in terms of future investment. These are:

**THEME 1 – Listening to tenants and our approach to estate and tenancy management**

**THEME 2 - Investing in homes**

**THEME 3 – Delivering more homes**

**THEME 4 - Local economy, community benefits and procurement**

### 3. Policy statement

- 3.1. In 2015 we achieved the WHQS 2002 to homes where tenants 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.
- 3.2. We have now embarked on our journey to achieve the targets set out in the newly established WHQS 2023 including:
  - Recording all WHQS compliance information on a property level, which was previously recorded on a component basis across the whole stock.
  - 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, currently using a fabric first approach.
- 3.3. 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. Tenant views and engagement

- 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. 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 main results are available in **Appendix C**.
- 4.3. Following an analysis of the results, we have developed a new tenant engagement plan and developed a series of our own tenant surveys which will be based on the metric outcomes recorded in the STAR survey and issued to our tenants on a bi-monthly basis. This will enable us to analyse the data further and ensure that we are delivering a value for money service that meet our tenants' needs.
- 4.4. Tenant and community engagement have always underpinned the delivery of the housing investment programme. To enhance our services and build upon our current tenant and community engagement practice, the new tenant engagement plan will:

- Enhance accessibility, reduce and remove barriers to engagement.
- Create a supportive and inclusive engagement environment that encourages open discussions, enables collaborative problem-solving and idea sharing.
- Ensure that we are accountable by actively monitoring our engagement and be open to challenge and feedback.

4.5. We acknowledge the diverse demographics of our tenants, our ageing population, the rurality of the county and how these factors may affect the level of engagement that we receive. To maximise engagement opportunities, we have identified a range of engagement strategies including:

- Bi-monthly tenant satisfaction surveys through the tenant's preferred engagement method.
- Tenant2Tenant electronic newsletter.
- More themed and area based informal focus groups.
- Informal activities such as fun days that will require less commitment and input from participants due to the larger number of people that will be able to participate.
- Continuing to communicate with our tenants who have decided not to formally engage, through their preferred communication methods which may include newsletters, emails or texts to ensure that they are kept updated.

4.6. We also recognise that tenant engagement is crucial to help us achieve the Welsh Housing Quality Standard 2023. By actively involving tenants in decision-making processes, we can ensure that their needs and preferences are met, leading to higher satisfaction and compliance with the standard. Regular communication and feedback mechanisms allow us to address issues promptly and maintain the quality of housing. Additionally, tenant engagement fosters a sense of community and responsibility, encouraging tenants to take care of their homes and report any maintenance issues. This collaborative approach helps us to continuously meet and maintain the Welsh Housing Quality Standard 2023.

## 5. Progress and reporting

5.1. We must report our WHQS compliance position to WG each year, confirming our annual position as at 31<sup>st</sup> March. The Council has been fully compliant with WHQS 2002 since 2015. We achieved this by utilising a whole house delivery approach.

5.2. To confirm compliance, we follow the requirements of WG. We assess the components of the standard as pass, fail or not applicable. When properties do not achieve the standard, we categorise these fails as either:

- Physical constraints.
- Timing of remedy
- Cost of remedy.
- Resident's choice or refusal.

5.3. The following information sets out our compliance position on the 31<sup>st</sup> March 2024. This is inclusive of 10% of our homes being categorised as acceptable fails.

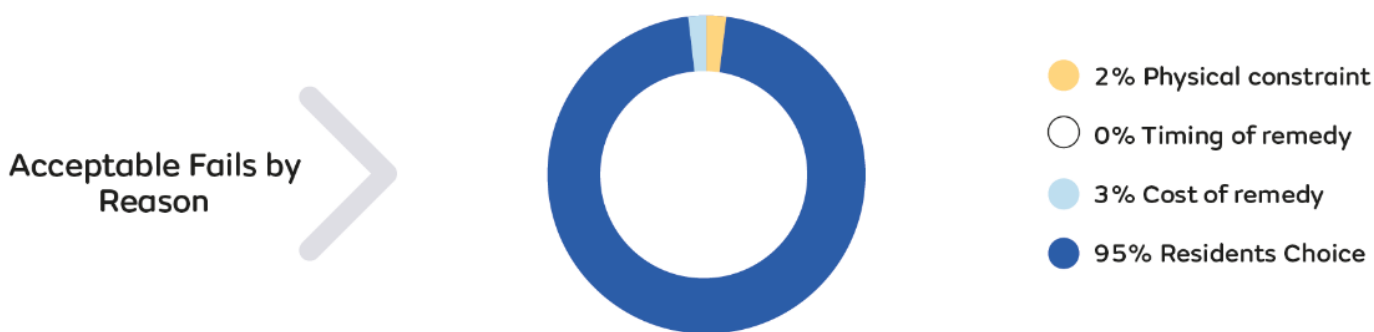
## WHQS Component Compliance as of 31<sup>st</sup> March 2024



5.4. The table below provides a breakdown of our WHQS component compliance by stock number.

CCC CHS+ Status	Total Stock (March 2024)	Total Stock %
Total Fully Compliant	8,435	90
Total Acceptable Fails	941	10
Total Assets	9,376	100

5.5. The reason for 10% of our homes being categorised as acceptable fails is shown in the graphic below:



5.6. We also know that 32% of the residents who chose not to have the WHQS works completed are aged 80 or over and a further 34% are between the age of 65 and 79.



5.7. Homes where works have previously been declined by tenants are carried out when the property becomes void or whereby an existing tenant who previously refused the works decides to have the work completed.

5.8. As we transition to work in line with the WHQS 2023, we will continue to maintain compliance with our traditional WHQS components. To comply with the new requirements of WHQS 2023, as of the 31<sup>st</sup> March 2025 all future WHQS compliance reporting will be based on reporting compliance at a property level. This will include:

- General property information including age of property, type of property, construction type, number of storeys, number of bedrooms etc.
- Household type e.g. general needs, specialist, sheltered etc.
- An assessment against each of the 8 elements in the standard at a property level.

5.9. This information will be reported to WG in May/June 2025 in line with the requirements of the standard.

## 6. Data collection, storage and updating

6.1. Prior to delivering the WHQS 2002 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.
  - We continue with our stock condition and verification surveys to ensure the data we hold for our housing stock is still accurate.
- 6.5. We use two software systems for data collection and modelling. Total Connect is used for job ordering of responsive and programmed works, contractor payments and stores work completion dates. We also use our CX Assets system to collate and store stock compliance information and other asset data such as adaptations. We use the data to forecast future investment requirements as well as our overall 30-year business plan.
- 6.6. We have recently purchased CX Housing to replace our OHMS housing management system for both income and investment. CIVICA CX Assets has replaced OHMS for recording WHQS component replacement information and is now our primary asset management system. Total Connect is currently being implemented across the service areas with Responsive Repairs now being managed on Total Connect. 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 C for all of our homes as quickly as possible.

## **7. Risk reduction measures**

- 7.1. We will continue to respond to changes in legislation, regulations or other statutory guidance that will make our tenants homes safer. The key areas of focus are fire, gas, electrical and water safety, lifts, asbestos, damp and mould hazards and carbon monoxide. Other areas of risk include radon gas, trees, play areas and repairs.
- 7.2. Ensuring that our tenants are safe and healthy within their homes is a key priority for the Council. New governance arrangements have also been introduced to monitor, scrutinise and challenge all areas of risk and compliance through the Housing Safety and Quality Improvement Group which consists of a range of representatives across the housing service.



## 8. Independent verification

8.1. 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 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;
- using a range of methods to assess compliance including independent collection of data; and
- complying with internal and external audit requirements.
- continuing to use a range of methods to assess compliance. Some data is already independently collected, e.g. boiler inspection, 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 investment works will be carried out.
- Making sure the independent verification process includes an initial review two years after the Standard comes into effect.
- Capturing tenant views, opinions and experiences through our STAR Survey.

## 9. Annual financial statement

9.1. 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).

9.2. 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.

9.3. 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.

## 10. Recording community benefits

10.1. The Council is committed to stimulating the local economy through our housing investment programme.

10.2. Where possible, we will use local contractors from the New Properties Work 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, but will also provide:

- employment including apprenticeship schemes.
- training and work experience for those in and out of education.
- Partnership working with local schools and colleges.
- non-core community benefits including regeneration schemes.

10.3. 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.

10.4. We will measure all contracts awarded through the capital investment programme against the Value Wales Measurement Toolkit (or similar).

10.5. 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.

## 11. Approach to WHQS 2023

11.1. The strategic direction and decision making relating to meeting and maintaining the WHQS 2023 and other legislative, regulatory and local policy compliance requirements across our housing stock is governed by the Housing and Regeneration Strategic Team. This includes:

- Delivering a comprehensive, cost effective and efficient voids, repairs and maintenance service.
- Meeting all legal and regulatory standards including the requirements for fire, heating, electrical, lifts, legionella, radon, asbestos, carbon monoxide and preventing damp and mould.
- Continuing to deliver our planned work programmes focussing on whole estate refurbishment and component replacement works identified through our ongoing programme of stock condition surveys.
- Improving the energy efficiency of our housing stock and linking this work to our planned work programmes, maximising our investment and making the best use of our resources.

11.2. Our New Tenant Engagement Plan will also encourage tenants to engage and participate in the decision-making process for delivering and complying with the requirements of WHQS 2023. Further detail is available in Section 4 of this policy.

## 12. Compliance statements for new tenants

12.1. Upon sign up of new tenants, we capture their preferred method of communication and receiving information. This includes the occupation contract, the energy performance certificate and any other health and safety certification e.g. electrical and gas safety

reports. For any homes that do not meet the WHQS standard, we will confirm when the required works are likely to take place.

### 13. Cost prohibitive activity

13.1. We are currently carrying out stock condition surveys so that we have robust data to inform our future work programmes. As this work progresses, we will apply the cost prohibitive reason code as directed by the WHQS 2023 if necessary.

### 14. Redevelopment, demolition and carbon considerations

14.1. When considering redevelopment and demolition, we evaluate the embodied carbon associated with the materials and construction processes used in the build process. We assess the carbon emissions from the production, transportation, and installation of building materials. By carefully analysing these factors, we make informed decisions that minimise the environmental impact of our developments and contribute to sustainable development.

### 15. Target energy pathways (TEP)

15.1. To determine the most appropriate approach to decarbonise our housing stock, we commissioned the services of SAVA Intelligent Energy to produce two distinct approaches i.e. a Non-Fabric First and Fabric First Approach. Both approaches target incremental SAP rating improvements through Band C, Band B and A, providing a phased approach to enhance energy efficiency and meet the WHQS 2023 targets.

15.2. The first plan follows a fabric-first approach, which prioritises improvements to the building fabric (e.g., loft insulation, wall insulation, window replacement) before recommending upgrades to heating systems and renewable technologies.

15.3. A second plan has also been produced, adopting a Non-Fabric First approach. This plan prioritises improvements solely based on their SAP rating improvement and cost-effectiveness, potentially recommending technology-based interventions before addressing the building fabric.

15.4. Whilst we analyse the data, we will continue to operate on a fabric first approach in line with the requirements of the WHQS 2023. But this approach may change to ensure that our programmes:

- Are Cost-effective.
- Reflect our available resources.
- Achieve affordable warmth for tenants.
- Align with our stock condition information.
- Complement the lifecycles of our assets.
- Consider the capacity of the national grid to accept the increase energy demands from renewable technology.
- Embrace the current SAP methodology which is used to measure the energy performance of existing homes in Wales.

## 16. Homes should suit the specific requirements of the household

- 16.1. We currently operate a Social Housing Allocations Policy which is a mixture of direct offers and choice-based lettings. To meet the needs of residents in greatest housing need in the first instance, all Council and Housing Association vacancies are considered for direct allocation. Only if a property cannot be matched to an applicant will it be offered for choice-based lettings. Our allocations policy directly matches households to properties that meet their specific requirements including individual physical, sensory, learning or other needs.
- 16.2. We also operate an Accessible Housing Register (AHR) as part of the main register to ensure that specially adapted homes are allocated to those who would benefit from these adaptations based on occupational therapist assessments.
- 16.3. We prioritise sheltered accommodation for older people (over 55s), and those requiring extra care housing or adapted homes. Extra care accommodation is provided for individuals with care and support needs. Our bungalows are allocated to households with a family member over the age of 55. If there is no applicant over the age of 55 that would be a suitable match for the property, applicants with disabilities or special housing requirements are considered.

## 17. Attractive outside spaces

- 17.1. We are committed to incorporating attractive outdoor spaces to our new developments and maintaining our existing green spaces to be attractive, safe and inviting for our tenants.
- 17.2. We are also ensuring that the green spaces and communal gardens on our estates have functional amenities, biodiversity and planted areas to encourage our tenants to spend time outdoors, promote community interaction and health and wellbeing.

## 18. Biodiversity

- 18.1. We are committed to enhancing biodiversity on our estates by adopting wildlife-friendly management practices.
- 18.2. This approach is driven by our aim to protect, maintain, and enhance ecology and biodiversity from the outset of our development projects. By engaging early in the feasibility and design process, we ensure that our developments contribute positively to the Council's responsibilities towards maintaining and enhancing biodiversity. This involves protecting animal species and habitats on our sites, as well as enhancing and managing their presence to coexist with our developments in the long term.
- 18.3. Our commitment is reflected in our development briefs, early engagement with ecologists, and collaboration with key partners to explore innovative solutions.

## 19. Broadband and 4G signal

- 19.1. Gigabit connectivity in Carmarthenshire currently stands at 63%, with various schemes supporting the rollout of full-fibre broadband to hard-to-reach areas. The UK

Government's Project Gigabit for Carmarthenshire will be announced shortly and the Swansea Bay City Deal Region are working to extend this further. Several Gigabit Broadband voucher schemes are also in place to improve connectivity in designated areas. Whilst the results of these project may not be realised in the short term, the situation in Carmarthenshire is improving monthly.

- 19.2. According to the latest Ofcom Connected Nations report, 66% of Carmarthenshire is covered by all Mobile Network Operators (MNOs), 95% by at least one, and 5% have no coverage. The Shared Rural Network programme has introduced new mobile phone masts across the County and upgraded existing ones, although data on forecast improvements is not yet available.
- 19.3. Our data shows that 45% of our homes have the infrastructure to support gigabit connectivity and 50% for superfast connectivity. However, 0.7% of our homes only have the infrastructure to support connectivity speeds of less than 30Mbps. The speed ability of the infrastructure supporting 4.3% of our homes is unknown.
- 19.4. Of the 4.3% of our stock which have unknown speeds, additional data from the UK Government suggests that 51% of these properties have gigabit connectivity. The remaining 49% are then classed as either 'Under Review' or 'White'. A property that is Under Review suggests that there are credible plans by a broadband infrastructure supplier to deliver connectivity to these premises. A white premises indicates no plans to connect a premises in the next three years. 38% of these properties are under review and 11% are considered white. The Project Gigabit and the Swansea Bay City Deal Region Better Broadband Infill project will target these white properties.

## 20. Housing Health and Safety Rating System (HHSRS)

- 20.1. We will continue to assess our housing stock through our existing housing stock assessment tools. In certain circumstances, however, we will instruct a suitably qualified and competent officer to carry out a full HHSRS inspection and assessment to evaluate housing conditions and determine the most satisfactory course of action.
- 20.2. Upon receipt of intelligence that a hazard exists at a property and if the hazard is considered to be worse than average (as detailed within the HHSRS Operating Guidance) a HHSRS inspection and assessment will be carried out and a satisfactory course of action will be identified and implemented.

Sources of intelligence may include:

- Stock condition data.
- Observations made by Housing Officers.
- Disrepair claims.
- Other sources of information.

Examples of circumstances that may trigger a full HHSRS inspection and assessment are:

- Reports of significant damp and mould growth affecting one or more habitable rooms.

- Reports of significant hazards which are considered to be worse than average, affecting a property in which the vulnerable group (as detailed within the HHSRS Operating Guidance) is present.
- Reports of hazards or deficiencies considered to be worse than average, presenting an imminent risk of serious harm to health.
- Reports of emergency occurrences (e.g. structural collapse and fire etc.) resulting in unsafe housing.