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*Carmarthenshire  
Homes Standard  
PLUS (CHS+)  
Business Plan  
2018/2021*

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4<sup>th</sup> January 2018

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## ***Foreword by the Executive Board Members***

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The Carmarthenshire Homes Standard (CHS+) continues to move forward to deliver services and projects that really matter to our tenants, members and key partners.

We are all aware of our significant, and proud achievement, of delivering the CHS+ during 2015 - an investment of over £200m since 2007. We are sure that this investment has had a really positive impact on our tenants' health and well-being. This will be demonstrated shortly by the publication of our major Health Impact Study, in conjunction with Cardiff and Swansea Universities.

Through careful financial management we continue to make significant investments. During the last 12 months we have spent over £20m in maintaining these improvements as well as ensuring we delivered much needed additional affordable homes.

As everyone will be aware it is still a time of significant challenge. It is also, however, a time of optimism and opportunity, and our plans have been developed to reflect this. Firstly, we have been able to keep the rent increase for 2018/19 to the minimum allowed under the current Welsh Government's social housing rents policy.

We will continue to prioritise maintaining the CHS+ to existing council homes and plan to invest over £29m in the next three years to do this. We recognise, however, that it is not just about the physical improvements themselves, but also making sure the homes are affordable to run and have a positive impact on people's health and well-being.

The imminent introduction of Universal Credit will present a major challenge for us in terms of future income but, more importantly, for tenants across all tenures in managing their money. We will be pro-active in ensuring that we fully support our tenants with these new arrangements, reducing any impact by as much as possible.

Our Affordable Homes Delivery Plan has already delivered over 400 homes during the first two years, making sure we are well on target of achieving 1000 additional homes we promised. We want, however, to do more. The recent establishment of our Housing Company, will not only deliver even more new build homes across the County, but will also enable us to increase the range of housing options available, offering alternatives to social housing. Over £26m has been earmarked to support affordable home delivery in this plan.

We appreciate that our plans are ambitious, but we are very confident that by working together we can deliver these ambitions and continue to make a real difference in our communities.

<b>Linda Davies Evans</b> <b>Executive Board Member</b> <b>for Housing</b>	<b>Cllr Hazel Evans</b> <b>Executive Board Member</b> <b>for Environment</b>	<b>Cllr David Jenkins</b> <b>Executive Board Member</b> <b>for Resources</b>
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# Introduction

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## *Introduction*

The Welsh Housing Quality Standard (WHQS) is the Welsh Government (WG) standard of social housing quality. The WHQS was first introduced in 2002 and aimed to ensure that all homes are of good quality and suitable for the needs of existing and future residents. WG set a target for all social landlords to improve their housing stock to meet the WHQS as soon as possible, but in any event by 2020.

Carmarthenshire's tenants developed their own standard, called the CHS+, and this was successfully delivered in 2015, well in advance of the WG timescales.

## *Purpose of the CHS+ Plan*

The purpose of this Plan is to explain the vision and detail of the CHS+, and what it means for tenants. It also confirms the financial profile, based on current assumptions, for the delivery of the CHS+ over the next three years. The approved Plan enables us to submit our annual application to WG for Major Repairs Allowance (MRA) for 2018/19, which amounts to £6.1m.

## *Development of the CHS+ Plan*

Tenants and stakeholders have been consulted and their views taken into account in preparing this Plan. The Plan is updated annually taking into account these views, the latest stock condition information, updated financial information, WG Guidance and any revised Council policies.

All actions in this Plan will be monitored on a bi-monthly basis by the CHS+ Steering Group. This group provides strategic direction and corporate leadership to ensure appropriate progression on the initiatives included. The CHS+ Steering Group is also responsible for monitoring progress, reviewing and managing the overall 30 year financial plan that supports our planned investment.

How this plan links with our corporate priorities, together with the overall governance structure is set out in Appendix A.

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# Achievements and Priorities

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The previous CHS+ Business Plan 2017-2020 has achieved a number of notable successes over the last 12 months:-

## *2017/18 main achievements:*

- Over £29m spent to maintain the CHS+ in tenants homes;
- Over 200 additional affordable homes delivered during our second year of delivery;
- Over 500 adaptations completed, with over £1m being invested to ensure tenants homes suited to their needs;
- Over £240,000 spent on 37 Environmental Improvement Projects;
- Continuing our time credit initiative with over 50,000 of total volunteer hours being given and covering over 1500 members;
- Restructured our housing service to create a pre-tenancy team to work with tenants to minimise rent arrears, maximise income for both us and tenants and improve tenancy sustainability;
- Delivered a “Rent Matters” campaign that has resulted in a reduction of rent arrears;
- Housed over 70 households who have specific needs through our Accessible Housing Register (AHR);
- Gained support and agreement to introduce a Choice Based Letting approach that will give tenants more choice and make tenancies more sustainable; and
- Attained two national Energy Advice awards helping to promote fuel clubs. The average savings from all 17 fuel clubs amount to £1215 per month.

## *2018/19 priorities:*

During 2017/18 we have continued to engage with tenants and other stakeholders in a number of ways. One of the key questions we asked throughout the year was

*“What was important to you in terms of future priorities?”*

The top six priorities were:

- Maintaining and improving the current standard;
- Advice with bills and benefits;
- Help and support to maintain a tenancy;
- Providing additional council homes;
- Grounds Maintenance and grass cutting; and
- Increase the energy efficiency of homes that have low energy performance ratings.

In terms of these specific priorities **we will be:**

- Making sure our stock information and analysis, and our approach to asset management, is as good as it can be in order that we know where we need to maintain and improve the CHS+;

- Developing and delivering real actions on the ground to mitigate the impact of Universal Credit;
- Providing more focus on pre-tenancy work through our housing service re-structure;
- Delivering additional affordable homes through a range of solutions, including the recently established Housing Company;
- Reviewing the grounds maintenance and grass cutting contract to ensure it offers better choice and meets tenants expectations; and
- Working with a range of partners to identify opportunities to install solar photo voltaic panels and other low energy home improvements in our housing stock.

During 2018/19 we will also publish the results of our major health impact study (in conjunction with Swansea and Cardiff Universities funded through Public Health Research programme). This study has tracked tenants' health and well-being through the period when we were carrying out the investment programmes to homes.

The following sections will provide the context to, and detail of, what we plan to deliver over the next three years, including how we intend paying for it, the community benefits and verifying what we have done.

The importance of strategic asset management in providing the foundation for our investment plans, as well as the central role of supporting tenants and residents in everything we do, is also highlighted. Leading on from this, we will cover two key themes that have been identified in terms of future investment. These are:

- 1. THEME 1- Investing in our Homes' and the Environment.**
- 2. THEME 2 - Providing more homes.**

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# Context

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## *The CHS+ Business Plan*

This Plan covers all housing services and assets contained within the Housing Revenue Account (HRA), and 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);
- Areas of land

Details of our housing assets and the profile of our tenants and applicants are provided in Appendix B.

This Plan confirms the delivery programmes of repair, maintenance and improvement, as well as setting the framework for the potential redevelopment of some of the most uneconomic stock. This is set in the context of maintaining its 100% compliance against WG's WHQS, and we will continue to do this through the CHS+.

This Plan demonstrates our commitment to sustained investment and shows how the investment in the existing stock is delivered, as well as a significant affordable homes programme. We have also ensured a balance of investment across the entire housing stock so that our capital and revenue spend is complementary, enabling tenants to receive best value services.

We will invest £29m in our existing homes over the next three years. This is based on current assumptions, together with a three year revenue provision of £9m for planned and responsive repairs and maintenance. We have also identified a further £26m to continue to deliver more affordable homes.

The delivery of the above investment, however, must be built on a robust approach to managing our housing assets.

## *Our approach to managing assets*

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 end up with 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.

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 CHS+ in the future.

Consequently our approach is underpinned by the following principles:

- Carrying out regular stock condition surveys to assess condition, use and required investment;
- A planned maintenance programme achieving economies by replacing components e.g. kitchen, bathrooms etc. based on need, not time;
- A regular cyclical maintenance programme for certain components in a home e.g. heating appliances, electrical upgrades and external painting;
- A continual programme of works to meet Health and Safety requirements e.g. asbestos removal and structural repairs ;
- A maintenance service to respond to unplanned failures in homes and to prevent deterioration in their condition e.g. boiler replacements;
- An efficient and effective voids repair service, helping to quicken the repairs process and save money by carrying out CHS+ works when a home becomes empty (or as soon afterwards), if the prospective tenant requests it;
- A programme of environmental estate improvements that is strategically targeted;
- A basic check to all homes on an annual basis through our existing visits;
- A more in-depth visit to homes where there are potential issues in terms of condition, tenancy or welfare issues;
- Continuing to invest in adapting homes to suit the needs of tenants;
- Understanding the future investment needs for our sheltered housing stock, linking in with our Care Home development programme;
- Completing individual options appraisals if homes are no longer fit for purpose to determine the best course of action, including considering demolishing homes, or disposing of them;
- Completing options appraisals on sites that may need changing/ converting into homes that can better meet housing need; and
- Delivering the targets within the Affordable Homes Delivery Plan.

When considering the above we will:

- Engage with tenants and Members;
- As far as is possible, meet tenants aspirations and priorities;
- Maximise our assets and minimise liabilities;
- Seek value for money in all investment decisions and contract procurement;
- Comply with current and future regulations;
- Create good neighbourhoods for council tenants and their neighbours; and
- Provide assurance to the council's auditors and regulators that its housing service is well managed.

We fully recognise that in order to achieve the above we must ensure that:

- The right structures, skills, resources and capacity are in place to manage future programmes, procurement and contract management effectively;



- Robust stock condition information, data and analysis is in place to produce programmes of investment that will appropriately maintain and improve standards, as well as services to tenants;
- Our data is further enhanced and regularly validated by feedback from all programmed and cyclical repairs, and maintenance activities; and
- We complete our cost certainty exercise for our overarching 30 year financial plan.

Over the next 12 months we will be specifically focusing on ensuring that asset management resources, both people and systems, are challenged to make sure they are in the right areas for the future. Our joined-up approach will enable us to:

- Commence a stock condition survey to verify our cost certainty business plan, identify gaps and provide independent verification;
- Understand why work has not been completed within the stock e.g. the tenant has requested that no work be carried out. These are called “Acceptable Fails” (see Appendix C); and
- Review our Asset Management Systems and Strategy to ensure all stock is fit for both current and emerging needs.

### *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. Generally these are homes where the previous tenants have declined the CHS+ works, or where structural works are identified in tenanted homes.

Before committing to do the work we need to ensure that the level of expenditure, and the housing need can be demonstrated. This is important to avoid major investment being made in a home that could remain empty longer than we would expect. It is necessary to have a consistent approach, and this is known as an MSCA (Most Satisfactory Course of Action).

Similarly, when we identify a number of similar repair issues in homes, in a particular area, we will consider whole site appraisals. This enables us to gather whole life costs for our homes in a defined area so that we can consider longer term solutions. Where high investment is required and there is low demand for homes in the area, tenants, leaseholders and stakeholders will be involved in the option appraisal process.

#### *Garages*

We will continue to actively gather information on the types of agreements used and the condition of garages, in order to:

- Deal with garages that are unsafe and need demolishing on health and Safety grounds;
- Establish who uses garages and bases;
- Standardise agreements; and
- Consult on future options for garage sites.

## *Land*

We have 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 the ones in areas of greatest need.

Where we have identified areas, however, which have no use and cost us to maintain we shall include them in a programme for sale. The receipts from sale contribute to maintaining the CHS+.

## *Sewer Treatment Works*

We currently have 15 sewer treatment works and 8 septic tanks. Over the next 12 months we will be reviewing the charging arrangements and the condition of these facilities in order to consider future options and arrangements for all tenures.

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# Supporting Tenants and Residents

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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+ going forward.

## *Tenant and residents' engagement and communication*

Tenant and community engagement has 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 maximising opportunities to help build stronger communities.

For the development of this year's plan we have engaged via meetings, forums and surveys, together with fun days and fashion shows, environmental projects, Time Credits and Fuel Clubs. This has allowed us to gather information on what really matters to our tenants and key stakeholders in terms of **"What a good housing service looks like?"**.

We believe that this approach is helping to broaden engagement, and is showing improvements for both individuals and the community, on a social and economic level. We know, however, that we are not attracting a wider range of people, particularly younger tenants on a consistent basis, and those involved tend to be unrepresentative of our tenants as a whole. As a result, **we will:**

- Develop our vision on Tenant Participation with TPAS Cymru. The vision will provide a structure so that all tenants and residents within our communities have the opportunity to be involved and influence the service they wish to receive;
- Continue to provide feedback via our regular Tenants to Tenants (T2T) newsletters;
- Liaise with residents to develop a more targeted programme of environmental estate improvements;
- Provide updated annual information about the CHS+ improvement programmes to tenants; and
- Introduce a pilot scheme targeting those in fuel poverty by installing energy efficient LED lighting to tenants' homes.

As well as giving their views on general engagement activities, tenants and residents have also highlighted other priorities in terms of supporting them. They have told us that they would like us to focus on providing more advice and support for them with bills and benefits that will help them to maintain their accommodation. We will be addressing these priorities in a number of areas.

## *Responding to Universal Credit*

Universal Credit (UC) is a new monthly payment for people who are either unemployed, or working, but on a low income. It will eventually replace six legacy benefits, including Housing Benefit.

In June 2018 Carmarthenshire will become a full service UC area. Currently we have 3,284 tenants below pensionable age in receipt of Housing Benefit that would naturally migrate to UC if they have a qualifying change of circumstances. A managed migration programme will then begin to move all remaining claimants over to UC by 2022. This will mean that for any tenant claiming UC, payments for their housing support will be paid directly to them as opposed to it automatically being paid into their rent accounts.

All claims for UC must be done electronically and all tenants will need to have access to a bank account and an e-mail address.

Experience from the UC pilots has identified it is a huge cultural change for many tenants in managing their monthly budgets and we must support as much as we are able. We know that our tenants have a negative view of UC, and the current 4-8 week delays in processing and receiving payments can cause significant anxiety.

Private sector tenants who go onto UC are also likely to require support and may face issues with their landlords due to length of time taken to assess claims.

From a business point of view, evidence from the pilots has shown that rent arrears will increase in the short to medium term and we have allowed for this within this plan in terms of our bad debt provision.

In order to mitigate the impact we will:

- Regularly update our communication plan, ensuring that tenants are aware of what help we, or our partner organisations can offer;
- Visit all of the tenants we believe may be affected;
- Continue to work with floating support providers to ensure that they are ready to provide support to our tenants;
- Increase the range of Direct Debit (DD) payment dates available to tenants. Tenants will be able to choose any date within the month between 1 and 28;
- Enable tenants to use the new 'My Account' facility to view their rent balance and recent rent transactions. It will also allow them to pay their rent, order a new payment card and request a direct debit form;
- Work closely with Welsh Water to encourage tenants to make an application under the 'HelpU' tariff which helps low income households to reduce their water bill;
- Target our prevention fund to help the most vulnerable tenants;
- Map the UC application process, and identifying triggers and interventions;
- Develop guidance documents and procedures to assist in staff training;
- Change the rent letters to inform tenants of the changes;
- Introduce payment reminder e-mails and Texts for individual tenants; and
- Build close partnerships with Housing Benefit, Job Centre Plus and DWP staff.

### *Focusing on Pre tenancy work*

A review carried out by the Housing Quality Network (HQN) recommended that more detailed pre – tenancy work should be carried out with tenants to minimise rent arrears, maximise

income for both us and tenants and improve tenancy sustainability. We have supported this recommendation by creating a pre-tenancy service as part of our Homes and Safer Communities realignment.

We know that at present tenants are allocated homes with no prior insight into what a tenancy actually involves. Many are young, with no previous experience of running a home, living on a small budget. Unsurprisingly many end up going into rent arrears, cause noise or disturbance to their neighbours and ultimately lose or end their tenancy within the first year or two.

We have set up 'The Home Ready' project which provides support and training to applicants and potential new tenants of the Council before a tenancy begins. The project aims to:

- Provide applicants with the most relevant and tailor made training to make them more confident and knowledgeable in gaining and sustaining their tenancy;
- Ensure that applicants will be more financially aware in their future day to day lives such as learning how to live on a budget, understand the benefits of their local credit unions, be more aware of what running and maintain a home and tenancy involves and the benefits of saving; and
- Provide applicants with training that will focus on understanding the terms of their tenancy, being a good neighbour and the importance of paying their rent.

This will enable us to:

- Identify Support needs earlier and make referrals to the appropriate agencies;
- Reduce the level of rent arrears and the number of tenancies that fail within the first 12 months;
- Reduce the level of Tenancy Management issues such as anti-Social Behaviour (ASB), and property condition for new tenants; and
- Have a greater understanding of what matters to new tenants and promote tenant engagement and personal development.

### *Our approach to this year's rent increase*

For 2018/19, through careful financial planning we have been able to keep the rent increase to the minimum allowed under the current WG's social housing rents policy. We believe this is the right thing to do this year. At the same time, we have also been able to maintain our significant investment in existing homes as well as providing much needed, additional affordable homes.

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# Theme 1 – Investing in Homes’ and the Environment

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## *Maintaining the Carmarthenshire Homes Standard Plus (CHS+)*

In 2015 we achieved the CHS+ to homes where tenants have agreed to have work completed - well before WG’s target of 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.

Tenants tell us that getting repairs done on time and maintaining homes to a good standard is important to them. Maintaining the standard is now a statutory duty, and the Council has made a commitment to achieve and maintain the CHS, which states 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;
- suitable for the household; and
- managed to the CHS+

Our on-going consultation with tenants has identified five key themes in this area in terms of **“What a good housing service looks like?”**:

- **Repairs and Maintenance** - proper and timely maintenance, consistent service, maintain homes to a high standard, continue to improve the housing stock;
- **Internal Works and Servicing** – heating, bathroom and kitchens, soundproofing in flats, remove old plumbing and electrics, option of newer kitchen;
- **External Works and the Environment** - roofs, removal of moss, rendering, dampness, paths, solar panels; responding to requests for paths, provide a home that is secure, , fencing, painting of outside of houses, garden walls, improve communal areas;
- **Voids** - standards to be applied to every home, finish the CHS programme;
- **Improving Standards** - improvements which result in tenants maximising their income/saving money on utilities, a standard that doesn't stand still, service improvement.

The actions identified to address these themes are set out below. The resultant investment requirements have been built into the HRA Capital Programme 2018/2021.

**Repairs and Maintenance:** The objective of the repairs service is to provide a customer focussed responsive repairs service, which achieves high levels of performance, customer satisfaction and good value for money. The priorities to achieve this objective are:

- Making appointments for all repairs;
- Getting the job done right first time as quickly as possible;

- Using tenant views to shape the service; and
- Carrying out as many repairs in a pre-planned way as possible.

The responsive repairs service has more contact with tenants and customers than any other maintenance service, and is therefore used as an important measure of how effective, both the Housing and Property services are, by the majority of customers.

We will achieve this by:

- Advising tenants when they report minor repairs how quickly we can carry out the repairs. We will always prioritise emergency and urgent repairs. For larger repair requests, we will often assess the problem first before letting tenants know how long the works will take.
- Carrying out repairs in the timescales we have set out or at a time that is more convenient for the tenant. Sometimes, however, there may be delays because we cannot get materials, or we need to carry out further investigations or the work is weather dependent.
- Continuing to develop our responsive repairs service, using mobile technology, to make appointments with tenants at a time convenient for them, including online and text services.
- Monitoring trends in reported repairs to identify works where it is prudent to take a planned approach for a larger number of properties using a condition-based programme.

**Internal Works and Servicing** - The objective of the CHS+ is to maintain the standard on a condition-based programme. For internal components such as kitchens, bathrooms, electrical upgrading and central heating, by replacing components nearer to the time of failing, the challenge is in assessing the condition both correctly and consistently. Cyclical maintenance can assist this assessment. The priorities to achieve this objective are:

- Cyclical servicing based on statutory requirements;
- Continue to identify properties where tenants have refused part or all of the intended CHS+ works.

We will achieve this by:

- Contacting tenants who have previously declined CHS+ works to discuss any issues they have and agree with them when works are to be programmed;
- Continuing our annual programme of safety checks on gas fires, and gas or oil boilers, and only replace boilers with energy-efficient condensing boilers, when defective and no longer economical to run; and
- Checking homes have the appropriate smoke alarms, heat detectors or carbon monoxide devices, and discuss with tenants how we can upgrade these to improve the fire safety within their homes.

**External Works and the Environment:** - whilst it is known that our homes are generally in good condition and meet the CHS+, our objective is to achieve economies of scale by only



replacing components nearer to the time of failing; and thus saving tenants money. The priorities to achieve this objective are:

- Identify programmes suitable for a planned approach;
- Identify opportunities for low energy home improvements on our housing stock.

We will achieve this by:

- Continuing to review and update our annual programme of roof and render component replacement including providing exterior wall insulation (EWI), based on evidence and need, and not time;
- Working with a range of partners to identify opportunities to install solar photo voltaic panels and other low energy home improvements on our housing stock to try to save tenants money on their energy bills, improve the comfort tenants' homes and reduce pollution in the environment;
- Developing a painting and maintenance planned programme including rectifying the impact of estate wide Lichen growth on homes; and
- Developing a garden and outhouse planned programme to ensure sheds and outhouses, gardens, paths and fencing are safe.

**Empty homes (Voids):** The objective of the void process is to make void homes available for letting as quickly as possible, striving to meet customers' expectations. The priorities to achieve this objective are:

- Provide a safe and secure home;
- Improve re-let timescales;
- Provide a re-let standard that meets customers' expectations; and
- Introduce a Choice Based Letting approach that will give tenants more choice and make tenancies more sustainable.

We will achieve this by:

- Completing individual options appraisals if homes are no longer fit for purpose to determine best course of action, including considering demolishing homes, or disposing of them;
- Making sure that homes are maintained to our standards and any repairs from previous tenants have been carried out before a new tenant moves in, together with making sure gardens are clear of rubbish and safe to use;
- Bringing all homes up to the CHS+ where the tenant wishes the work to be carried out. When a tenant is happy to move into a property without all the works being completed, tenants will be provided with an indicative timescale for completing the outstanding works; and
- Enhancing Home Information packs for all new tenants, to include information on boiler inspections, Asbestos advice, Energy Performance Certificates, electrical tests and an indication of when any outstanding CHS+ work will be carried out.



**Improving Standards** - Tenants have told us they do not want a standard that stands still. Our priorities to achieve this objective are:

- Involving tenants in setting future standards;
- Improving the energy performance of homes; and
- Ensure homes are suitable for the household.

We will achieve this by:

- Asking tenants how they would like to be part of the process.
- Developing a programme of energy saving measures based on the information obtained from EPC surveys, including those where tenants have previously declined works to improve the energy efficiency of their homes.
- Continuing our programme of providing adaptations for our tenants to ensure that our homes meet their needs. Adaptations range from a simple grab rail at the side of a doorway to a bathroom converted into a wet room to a purpose built bedroom and wet room extension.
- Continuing to utilise our stock in an efficient manner through the Accessible Housing Register (AHR), where a void property with existing adaptations is matched to a client on the AHR whose needs will be met.

### *Type of work to be completed in 2018/19*

We know the following work may be required to maintain the standard in 2018/19.

Type of work/components	Target homes to be completed in the full year 2018-19
<b>Kitchens</b>	83
<b>Bathrooms</b>	85
<b>Central heating Systems</b>	49
<b>Electrical Systems</b>	79
<b>Mains Powered Smoke Detectors</b>	79
<b>Adaptations</b>	250 (small < £1,000) 190 (>£1,000)
<b>Roofs</b>	110
<b>Render and Fascia</b>	439
<b>Windows</b>	0
<b>External Doors</b>	0
<b>Gardens and outhouse planned programme</b>	New Programme
<b>Painting and maintenance planned programme</b>	New Programme
<b>Energy Rating (SAP=65)</b>	40+

The above figures represent target homes to be completed through the planned programme of works. Additional works to homes will also be completed throughout the year as part of void and major works delivery.

## *Further Development and new opportunities*

### *Health and Safety - Servicing & compliance*

We have recently reviewed our approach to fire safety across all our stock, and our approach to when tenants have requested not to have work carried out. We believe that it is in the best interest of tenants, and to protect our investment, that tenants will no longer have the option to decline electrical works including the installation of hard wired smoke detectors and Carbon Monoxide (CO) detectors.

For homes where we believe the above work has not been upgraded, we will:

- Check homes have the appropriate smoke alarms, heat detectors or carbon monoxide devices, and discuss with tenants how we can upgrade these;
- Gain access to ensure that the necessary works are completed; and
- Install servicing timers when we gain access (where a tenant repeatedly does not give us access), to help tenants understand and manage their responsibilities under their tenancy agreement and help us to protect the lives of tenants.

### *Health & Safety - Approach to Fire Management*

We have now further reviewed the Fire Risk Assessments on all of our purpose built blocks of Flats, including sheltered schemes. Our approach has been to assess the likelihood of fires occurring, and any person(s) who may be put at risk from a fire. When carrying out the assessment we have also taken into consideration that fires can be started accidentally, through carelessness or started deliberately.

For each block of flats, where we have identified improvements to be made, an action plan has been developed. This provides a record of present risks, together with an indication of the scope of the changes and/or improvements which need to be provided to minimise the risks present. The risk assessments are monitored by the 'Investing in our Homes' Group, as set out in our Governance Structure.

### *Investing in Sheltered Housing*

Demand for our Sheltered Housing remains high generally, but we need to ensure that the right type of support is in the right schemes. Some schemes are very popular whilst others less so because of things like their location and/or access to amenities.

We will be clearly defining the purpose of each Sheltered Scheme and will tailor our approach to future needs. We will be assessing current standards and challenging whether they will meet the expectations of future residents over the next 10 to 20 years.

We will align this approach with our investment programme for the Council's existing Care Homes, making sure the accommodation meets future needs and standards.

### ***Potential for Solar photovoltaic (PV) systems***

Our Property division have been working with WF as part of the Green Growth Wales programme, to explore opportunities and models for a housing-based solar and battery storage project on the Council's housing stock.

This could be a no-cost community 'rent-a-roof' model with the provision of roof mounted solar PV, combined with a battery storage system, and may be exclusive to a single property (e.g. solar PV on the roof and small battery system for the property). It could also be a community based system where the solar PV and/or battery is on a community basis to help maximise benefits and direct use of energy generated.

We have run a market information exercise to help understand the range of offers available for Carmarthenshire and on behalf of the wider Swansea Bay City Deal area. We shall be analysing the feedback received, and consulting with tenants on any schemes that we feel are viable. If successful this will helping tenants to reduce their energy bills.

### ***Low energy home improvements***

As part of the programme of works to refurbish housing we are assessing the potential benefits of including works that will help tenants to further reduce their energy bills, improve the comfort of their homes and reduce pollution in the environment.

We are working with the Welsh School of Architecture at Cardiff University as part of its Low Carbon Built Environment (LCBE) project. Consultation has commenced with tenants on determining the level of interest. If we are able to identify a scheme, tenants will be asked to participate by completing a questionnaire to find out a little bit about them and their family, their home and how they use it. We will also install some discreet monitoring equipment to measure the environmental conditions and energy use in the home before and after the work has been carried out.

### ***Assisting with regeneration plans***

The Council would like to work with local residents, and other key stakeholders, to develop a masterplan for the potential regeneration of the Station Road area in the Tyisha ward, Llanelli. Our approach would be to firstly carry out co-ordinated, extensive engagement and consultation with residents. This will involve all relevant services across the Council.

Station Road is located between Llanelli Town Centre and the proposed Well-Being village in Machynys. There are ambitious and exciting plans for both areas and we want to make sure that the Station Road area benefits from sustainable change that will have an impact over the next 10-20 years.

We also want to maximise the impact of the ***Swansea Bay City Region Deal*** "Delivering Homes as Power Stations" project. We see this as a huge opportunity for Carmarthenshire as it will target both new build projects and the retro-fit of existing homes and buildings. Whilst initially targeting the public sector it will, over the next five years, roll out to private sector landlords and owner occupiers. The delivery will not only reduce fuel poverty and have a positive impact on people's health and well-being, but will kick start a major construction programme and the associated benefits in terms of jobs.

# Theme 2 – Providing more homes

## Affordable Homes

In March 2016, Carmarthenshire produced its first Affordable Homes Delivery Plan. The plan aims to deliver over 1,000 affordable homes by 2021, investing nearly £100m into our communities, with over £31m coming directly from the HRA.

Tenants told us then that delivering a wide range of housing to meet demands, and us buying and building new suitable homes is important to them. This is also in line with the feedback we received from tenants again this year.

As a result we will continue to:

- Deliver new build council homes directly through the HRA;
- Develop a wider range of homes and regeneration options through our recently established Housing Company;
- Purchase private sector homes to increase the Council’s housing stock in the areas of greatest housing need;
- Continue to manage private sector homes, for Private Landlords, through the ‘Simple Lettings Agency’; and
- Bring empty homes back into use to increase choice and accessibility of homes in the areas of greatest housing need;

## Current affordable homes delivery

In our first year of delivery (2016/17) we exceeded our target, and delivered 173 additional affordable homes. We are on course again to exceed our target in our second year of delivery, by delivering a further 235 homes in 2017/18.

The following graphs show the accumulative targets for the five years of our plan, and our progress to date.

Affordable Homes 5 Year Delivery Plan 2016-21



2017/18 Affordable Homes Quarterly Performance



## *Housing Company*

We also recently announced plans for hundreds of new homes through the establishment of a Housing Company. The Company will deliver a mix of homes including homes for rent, low cost home ownership, rent to own and open market sales, as an alternative to social rented housing. This will be across the County, based on housing need.

It will support local developers who are set to benefit from a further boost in the construction industry, with new jobs and training opportunities on the horizon.

The establishment of the Housing Company will not only ensure that we continue to maximise our ability to build more homes but will offer opportunities on a wider scale, in terms of innovation, standards and specifications, geographically and the type of activities where it can bring major benefits.

It is important to note, however, that the Housing Company **is not** stock transfer in any form. All 9,000 current council homes will continue to be managed by the Council.

The detailed business plan for the Company will be confirmed in Spring 2018, confirming the planned programme of activity over the next five years.

## *Plans for the future*

### **As a result of the above activity we will, over the next three years:**

- Deliver over 630 affordable homes throughout the county and achieve the targets set in the Delivery Plan, through:
  - Delivering over 50 two and four bedroom homes in phase 1 of our Council new build programme (Dylan in Bynea and Garreglwyd in Pembrey);
  - Purchasing over 100 private sector homes and continuing to increase the Council's housing stock in the areas of greatest housing need;
  - Managing an additional 150 private sector homes through the Simple Lettings Agency;
  - Bringing over 160 empty homes back into use;
  - Working with our Housing Association (HA) partners to deliver over 200 new build HA homes, maximising the use of Housing Finance Grant, Social Housing Grant and HA private finance; and
  - Maximising developer contributions through the planning system and creating over 50 homes for rent and low cost home ownership.
- Continue to maximise the use of external funding opportunities including Affordable Housing Grant and Innovative Housing Programme Funding and ensure that we have schemes on the shelf ready to go when additional funding becomes available;
- Align with the Housing Company to deliver additional affordable homes; and
- Develop a new Affordable Homes Delivery Plan which will continue to create affordable homes in the areas of greatest need post 2021.

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# Community Benefits and Procurement

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## Community Benefits

The Council is committed to:

- Contributing to the social, economic and environmental well-being of the wider community;
- Asking tenderers to deliver Community Benefits in our tendering activities through the delivery of the contracts or frameworks awarded;
- Maximising the value for every pound we spend, applying a Community Benefits approach to any tender valued over £1million; and
- Capturing and recording Community Benefits utilising WG's Community Benefits Measurement Tool.

For contracts completed in 2016/17, three contractors were used through the South West Wales Contractors Framework. Over £2million of CHS+ works were called collectively, achieving the following:

- For every £1 spent, £1.80 was reinvested into the Welsh economy;
- 11 people were hired during this period who were previously unemployed, and who will continue to be employed;
- Over 84 weeks of training was provided, including:
  - 12 Apprenticeships started and over 50 weeks carried out; and
  - 10 Traineeships completed amounting to over 30 weeks in total.

Since June 2017, Carmarthenshire County Council and Pembrokeshire County Council entered into a Joint Procurement Shared Service for a period of two years. The aim of the Shared Service is to deliver regional benefits and efficiencies through shared use of resources.



# Funding and Risk Management

## Major Repairs Allowance

Every year we receive £6 million from Welsh Government 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 repairs or maintenance, demolishing costs, repayment of borrowing etc. A full breakdown can be found in our MRA Acceptance issued by Welsh Government.

The MRA makes a significant contribution towards achieving and maintaining the CHS. It is currently reviewed annually by Welsh Government and, as such, it is regularly under scrutiny. A reduction or end of the MRA could have a significant impact on our future investment plans.

## Planning Assumptions

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

### INCOME

<b>Major Repairs Allowance (MRA)</b> <i>i.e. the amount of capital funding we get from the Welsh Government</i>	<b>£6m</b> each year. This is on the basis that we receive £673 for each home.
<b>Rent increase 2017/18</b>	<b>4.34% average</b>
<b>Future rent increase levels</b> <i>Based on Welsh Government Policy</i>	Rent increases continue in line with current policy.
<b>Borrowing i.e. the amount we need to borrow to support our investment</b>	Additional £7m over next 3 years

### OTHER

<b>Expenditure/income inflation</b>	Employees' pay at 1% per year for the next three years (as per assumptions for Council Fund).
<b>Right to Buy receipts i.e. Money we get from tenants' buying their home</b>	No receipts from 1 <sup>st</sup> April 2015 following suspension of Right to Buy
<b>Balances on the revenue account</b> <i>i.e. the amount of money we need to keep in reserve</i>	Minimum of £1.359m (based on £150 per property)

### SPENDING

<b>Assumed Borrowing costs</b> <i>i.e. the amount it costs to borrow money</i>	Cost of existing and new debt: 2018/19: 4.60% 2019/20: 4.57% 2020/21: 4.41	Cost of exiting HRAS:  Average of 4.57%
<b>Provision for Bad debt i.e. debt that we will be unable to recover</b>	2018/19: £494k 2019/20: £591k 2020/21: £784k	

## Delivering efficiencies

This current business plan is supported by a drive to improve value for money over the next three years and enhance service delivery.

Over the next 12 months we will develop measures to ensure that value for money can be demonstrated in terms of cost and quality, whilst striving to meet tenants' expectations on service improvements.

### CAPITAL SPENDING TO:

	Budget 2018/19 (£000s)	Budget 2019/20 (£000s)	Budget 2020/21 (£000s)
<b>Maintain the standard:</b>			
Internal works - kitchens, bathrooms, electrics, heating etc.	1,030	1,183	1,000
EWI, Render and Fascia (inc. gardens)	2,096	1,775	2,739
Roofing	924	1,052	1,086
Boiler replacements	90	87	88
Declined CO & smoke detectors	600	0	0
Structural works - Estates and boundary walls (inc. identified structural works)	1,084	315	260
Voids and Major Works to homes	2,118	2,155	2,200
<b>Support Tenant and Residents:</b>			
Sheltered Scheme Investment (inc. boilers)	518	1,025	500
Adaptations	1,400	1,500	1,500
Environmental works	298	303	309
<b>Provide more affordable homes:</b>			
Housing Development Programme	9,162	8,905	8,104
<b>Support the delivery of CHS+:</b>			
Programme management	195	198	200
Stock condition information	150	100	100
<b>TOTAL</b>	<b>19,665</b>	<b>18,598</b>	<b>18,086</b>

### CAPITAL FUNDING FROM:

	Budget 2018/19 (£000s)	Budget 2019/20 (£000s)	Budget 2020/21 (£000s)
Welsh Government Grant-MRA	6,190	6,190	6,190
Receipts which we can use from sales	0	0	0
Direct Revenue Financing	13,475	8,956	8,443
External Borrowing	0	3,452	3,453
<b>TOTAL</b>	<b>19,665</b>	<b>18,598</b>	<b>18,086</b>



<b>REVENUE SPENDING TO:</b>	<b>Budget 2018/19 (£000s)</b>	<b>Budget 2019/20 (£000s)</b>	<b>Budget 2020/21 (£000s)</b>
Repair and maintain homes	9,495	9,842	10,223
Supervision and management	8,355	8,519	8,686
Support services e.g. legal and finance	1,560	1,560	1,560
Direct Revenue Financing - Capital projects	13,475	8,956	8,443
Provision for Bad debts	494	591	784
Capital charges	14,205	14,309	13,936
<b>TOTAL</b>	<b>47,584</b>	<b>43,777</b>	<b>43,632</b>

<b>REVENUE FUNDING FROM:</b>	<b>Budget 2018/19 (£000s)</b>	<b>Budget 2019/20 (£000s)</b>	<b>Budget 2020/21 (£000s)</b>
Tenant rents	39,736	41,470	43,966
Service charges	750	774	798
Interest received	68	61	69
Income from other departments	340	347	354
Housing Finance Grant 2	0	246	246
Water rates commission	498	508	518
Grants / Other	356	356	357
<b>TOTAL</b>	<b>41,748</b>	<b>43,762</b>	<b>46,308</b>

<b>HRA END OF YEAR POSITION:</b>	<b>Budget 2018/19 (£000s)</b>	<b>Budget 2019/20 (£000s)</b>	<b>Budget 2020/21 (£000s)</b>
Balance brought forward from last year	-16,299	-10,463	-10,448
HRA budgeted surplus (-)/ deficit (+)	5,836	15	-2,676
<b>BALANCE CARRIED FORWARD</b>	<b>-10,463</b>	<b>-10,448</b>	<b>-13,124</b>

## *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 undertaken 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.

Three of the greatest risks identified in delivering this plan are:

- Maintaining up to date asset information with regards to our stock;
- Uncertainty of the impact of market conditions with regard to inflation, pricing and availability of workforce, to inform the 30 year cost certainty exercise; and
- The impact of Universal Credit on tenants' ability to maintain their responsibilities and obligations to pay their total rent in advance for the week ahead.

All risks will be monitored by the CHS+ Steering Group on a regular basis.

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# *Compliance, Verification and Monitoring*

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## *Compliance and Acceptable Fails*

Recording compliance and acceptable fails is not a simple collection of condition information for things like kitchens, bathrooms, electrics etc. 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. The details of our compliance and acceptable fails are set out in Appendix C.

## *Acceptable Fails*

An acceptable fail 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;
- Residents' choice; and
- Physical constraint"

## *Energy Efficiency*

We have had a number of 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 or homes. The average SAP across our stock is 65 out of 100.

## *Independent Verification*

Whilst we believe that we are, and will continue to, accurately report compliance in achieving and maintaining the CHS+, 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 Internal Audit to undertake desktop reviews;
- Agreeing and commencing a sample programme of stock condition visits every year, carried out by an independent verifier;
- Asking tenants how they would like to be part of the process of verification;
- Continuing to use service reviews to assess compliance. Some data is already independently collected, e.g. boiler inspections, EPC's and electrical tests; and
- Introducing 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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# Appendices

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