



At **Home** in **Powys**

**Housing Revenue Account Thirty Year
Business Plan 2020-2021**

March 2020

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At Home in Powys

'Vision 2025', which is Powys County Council's strategic plan for improving the quality of life for everyone in Powys, includes Affordable Housing as one of its top six priorities. The Council provides flats, houses and bungalows for one in ten of all households so that they can make a good home in Powys. Making sure that the Council is able to continue to manage and develop a financially viable landlord service is essential to help people to be at home in Powys.

In March 2020, Powys County Council approved its Housing Revenue Account (HRA) Thirty Year Business Plan for 2020-2021. The Business Plan, which operates on a rolling thirty-year basis, sets out all the information and activity that together allows the Council to successfully and sustainably approach manage and provide social housing for the people of Powys.

'At Home in Powys' highlights the most significant elements of the full Business Plan:

-  How the Business Plan supports 'Vision 2025';
-  Information on the housing needs in Powys;
-  How the Council works with tenants and other stakeholders to develop and monitor the HRA Business Plan;
-  How the Council will increase for the people of Powys, the range and choice of Council-owned homes;
-  How the Council will finance and operate the HRA Business Plan to make sure the Council's landlord service is responsive and meets the expectations of tenants and residents.

The Powys HRA Thirty Year Business Plan 2020-2021 contributes positively to maintaining and developing the Council's role as responsive and viable social landlord. A balanced approach has been taken between maintaining and improving existing homes and increasing the range of affordable housing options available for the people of Powys. Risks arising from changes by the Welsh Government to rent and affordable housing grant policy and inflationary construction costs are mitigated. The Powys HRA Thirty Year Business Plan makes a substantial contribution towards making Vision 2025 a reality, which now includes Affordable Housing as one of its top priorities. It will also contribute to the national outcomes the Welsh Government has for housing across Wales.

Vision 2025

The HRA Business Plan is designed to make sure the Council's landlord service contributes to the priorities agreed in 'Vision 2025', which is the Council's Corporate Improvement Plan to improve the quality of life for everyone in Powys. 'Vision 2025' also contributes towards the outcomes agreed in the Powys Regional Partnership Board's 'A Healthy, Caring Powys' which is the health and care strategy for Powys and runs until 2027.

'Vision 2025' provides an important framework for involving residents, councillors, staff and other stakeholders, such as regulators, in improving public services in Powys. It focuses on the things that matter most for local people.

'Vision 2025' majors on four important themes in everyone's life:

- Economy: developing a vibrant economy;
- Health and care: leading the way in effective, integrated rural health and care;
- Learning and skills: strengthening learning and skills;
- Residents and Communities: supporting our residents and communities.

Supporting 'Vision 2025' is the Powys Public Service Board's 'Towards 2040' which is the Well-being Plan for Powys. 'Vision 2040' sets out the way Powys will contribute to the aspirations of the Well-being of Future Generations (Wales) Act 2015. The Act puts in place seven well-being goals to make sure public bodies in Wales are working towards improving the social, economic, environmental and cultural well-being of their areas.

Outcomes and Services

Outcomes

Powys County Council's housing service has a Top Ten of outcomes for the work it does to help people to be at home in Powys. The HRA Business Plan contributes in some way to all these outcomes.

-  Increase our customer satisfaction ratings to be among the best in Wales
-  Build at least 250 new council owned and managed homes by 2024, and to continue and grow our new build programme making the Council a major force in the housing market of Powys
-  Increase the value for money we receive from our investment in repairing and maintaining our homes
-  Maintain WHQS for all our homes, with a particular focus on improving energy efficiency and reducing damp
-  All our homes to be one hundred per cent compliant with all health and safety requirements
-  At least 99.65% of rent due collected every year
-  Void rent loss reduced to 1.9% of the rent roll ¹
-  Speedy response to reduce and resolve homelessness
-  Quick and user friendly investment in homes for people who need aids, adaptations and disabled facilities to improve the quality of their lives
-  A balanced housing market, offering desirable housing choices for people who live in Powys

How well the Council is doing in making those outcomes a reality for people is measured and reported using a range of performance indicators, with targets set for each year. Of particular relevance to the landlord service funded by the HRA:

- ✓ Number of new Housing Revenue Account homes commenced in year: for 2020-2021 - 118
- ✓ Increased levels of tenant satisfaction with the quality of their neighbourhood: for 2020-2021 - 80%
- ✓ Percentage of tenants satisfied with major programmes of repair and improvement: for 2020-2021 - 87%
- ✓ Percentage of customer call backs satisfied with the responsive repairs service: for 2020-2021 - 95%
- ✓ Percentage of heating appliances serviced in the previous 12 months: for 2020-2021 - 100%
- ✓ Average end to end time for responsive repair: for 2020-2021 - 10 days
- ✓ Percentage of rent collected: for 2020-2021 - 99.65%
- ✓ Percentage of rent lost to empty properties: for 2020-2021 - 3%

¹ This target will be met by March 2021.

Powys County Council has in place a detailed suite of eleven service standards, which govern everything it does as a landlord².

- Allocations and Lettings
- Customer Care
- Estate Management
- Anti-social Behaviour
- Quality of Accommodation Standard
- Repairs and Improvements
- Tenant Involvement
- Tenancy Management
- Rent and Income Collection
- Leaseholder
- Equality and Diversity

In 2020-2021, the Quality of Accommodation Standard is to be reviewed, to see whether or not it still represents a reasonable balance between aspirations of tenants, especially those moving to their first council-provided home, the time taken to re-let empty properties and the financial resources available within the HRA Business Plan.

Services

The Housing Service structure is designed around the rurality and geography of Powys, the largest county in Wales. A network of area-based housing management and maintenance teams offer day-to-day services for our tenants and communities. There are four area housing management teams.

-  Brecon and Ystradgynlais
-  Welshpool and Machynlleth
-  Llandrindod Wells
-  Newtown and Llanidloes.

Being based in the areas in which they work, these teams benefit from local knowledge and close proximity to the people they work with, the varied housing markets in Powys and the properties themselves, which reflect a broad range of construction styles and types.

The area based housing management teams, which form the nucleus of 'Tenancy Services', are supported by centrally managed but locally based teams.

-  'Housing One' the First Contact service that provides the internet and telephone connections with our tenants and clients.
-  'Asset Management' which manages the investment necessary to make sure our homes are kept to high standard, now and in the future
-  Housing Solutions' which provides strategic and policy support across the service in areas such as homelessness, oversees the Council's work to

² The Service Standards can be found at: Further details: <https://en.powys.gov.uk/article/2667/Council-Housing-Landlord-Service---Service-Standards>

improve the quality of privately owned housing and has responsibility for developing new Council-owned homes.

The Housing Service is part of the Council's Housing and Community Development division which itself is part of the Council's 'Economy and Environment Directorate'. Being part of the Housing and Community Development division means that the Housing Service has been better able to work closely with Countryside and Outdoor Recreation Service, for example the provision of play facilities for young people and managing trees.

The structure of the Housing Service is currently being reviewed, in preparation for changes to be made during 2020-2021. These will:

- ✓ Increase the capacity and capability of the service to manage compliance
- ✓ Enhance the approach to quality assurance of all housing services
- ✓ Strengthen front-line services

The Housing Service has excellent working relationships with colleagues in and clients of Adult Social Care, Children's Services and Powys Teaching Health Board and this, coupled with the integration of health and social care in Powys, means the housing service better understands how to address the housing needs of vulnerable people in Powys.

In April 2019 the Council launched 'Homes in Powys' (Common Housing Register), a one-stop shop for all social housing in Powys. People looking for a home are able to make one application via the Council for housing provided by the Council and seven housing associations. It is an on-line system making it easy for people to apply and amend their applications as and when needed. A new Common Allocation Scheme was introduced at the same time to make it easier for people to understand the way homes were matched to households. 'Homes in Powys' provides a dynamic and accurate database of the need for social housing across the County.

The Council and Kier, a privately owned company, established in July 2017 a Joint Venture Company (JVC) called Heart of Wales Property Services (HoWPS) which is jointly owned by the Council and Kier. HoWPS is responsible for the delivery of responsive maintenance to HRA properties and some planned maintenance work. In addition, HoWPS delivers all responsive and planned maintenance to corporate properties and major capital projects on behalf of the Council. In December 2019 – at the interim stage of the first five year phase of the Service Agreement between the Council and HoWPS, the Council undertook a detailed review of HoWPS performance. This review has led to a range of agreed actions to be completed during the first part of 2020 to improve further the services offered, with a particular emphasis on compliance related work and repairs to void properties.

The Council is creative and innovative in making effective use of HRA housing to meet the most pressing of housing needs. One example includes the measured deployment of HRA homes to provide higher quality emergency and temporary accommodation for people who are homeless. This creates savings for the Council's General Fund, as it

reduces the Council's use of bed and breakfast accommodation in emergency situations. There are moreover no negative impacts on the HRA Business Plan.

The Powys Housing Market

The Powys Housing market is extremely diverse. That is only to be expected in a county that accounts for a quarter of the land mass of Wales. The distance from one end of Powys to the other is greater than the distance from London to Bristol. Powys has the lowest population density of all the principal areas of Wales. The sheer size of the county, and its remoteness from major conurbations, presents many challenges for developing, managing and maintaining homes.

In 2019, a new Local Housing Market Assessment (LHMA) covering Powys was commissioned with 7 other authorities (including two National Parks). The results of the LHMA will be published in 2020. The LHMA covers South & West Wales regional approach with disaggregated data of the nine Powys market areas and for the Brecon Beacons National Park area.

With the Homes in Powys data, the information will help inform the future of the Council's programme to build new council homes, which will be co-ordinated through the Powys Strategic Housing Partnership with the plans of other social landlords to make sure that all developments complement each other to meet the needs of the greatest number of households.

During 2019 the housing service successfully secured Rural Housing Enabler (RHE) funding from Welsh Government which helped to secure resource in the Affordable Housing team to assess need in the County and inform the new build programme.

The Affordable Housing Team used data from Homes in Powys along with engagement events and housing needs assessments to confirm and model the initial new development programme.

Local Housing Strategy for Powys

In September 2016 the Powys Strategic Housing Partnership agreed the Local Housing Strategy for Powys. The vision adopted by the Partnership is:

“Ensuring a secure future in suitable housing for everyone in Powys”

The Strategic Housing Partnership considers the term “suitable” to mean housing that is affordable, appropriate in size and location and in good condition. The Strategic Housing Partnership adopted three strategic aims for the Local Housing Strategy for Powys.

- To identify and meet the housing needs of the citizens of Powys;
- To maximise the impact of housing expenditure on the economy of Powys;
- To ensure that housing contributes to the delivery of stronger communities in Powys.

The Local Housing Strategy will be renewed in 2020 to take account of the findings of LHMA, Homes in Powys register, the Council's ability to develop a high number of homes itself, emerging options to support home ownership for those unable to afford open market sale homes and forthcoming expansion of specialised housing for older people through the Powys Extra Care programme.

Homes in Powys Housing Register

At the end of December 2019, 2274 people were registered with 'Homes in Powys', the Common Housing Register. The table below shows the number of applicants registered in each band. Bands 1 to 3 (1301 applicants) are applicants with a housing need and are ready to move. During the third quarter of 2019 all partners let 205 dwellings.

Breakdown of Applicants Registered with Homes in Powys - by Band

	Band 1	Band 2	Band 3	Band 4	Band 5	Total
Number of Households	16	88	1197	752	221	2274

Household size has for a number of years been reducing in Powys. The table below shows a breakdown of the applicants registered at the end of December 2019 by the bedrooms they require.

Breakdown of Applicants Registered with Homes in Powys - by Minimum Bedroom Size

Minimum bedroom size	Number of Households
One	1379
Two	583
Three	213
Four	85
Five	11
Six	3
Total	2274

The table below shows the tenure of applicants registered with Homes in Powys at the end of December 2019. The highest number of applicants are currently renting private sector accommodation.

Breakdown of Applicants Registered with Homes in Powys - by Current Tenure

Current Tenure	Band 1	Band 2	Band 3	Band 4	Band 5	Total
Adult Placement			5	6	2	13
Clwyd Alyn Housing Association Tenancy		4	11	9	5	29

Grwp Cynefin Tenancy			1		2	3
Gwalia Housing Tenancy		1	30	11	1	43
HM Forces accommodation				2		2
In home provided by employer			5	5	1	11
Living in care			4		1	5
Living with parents			121	54	17	192
Lodging			21	4	4	29
Melin Homes Tenancy			1	3		4
Mid Wales Housing Association Tenancy		12	61	41	13	127
Newydd Housing Association Tenancy		2	9	9	2	22
Other	1		119	71	28	219
Other Social Landlord	1		40	51	17	109
Owner Occupier	2		95	41	5	143
Powys County Council Tenancy	9	61	149	102	29	350
Renting from a private	3	1	329	289	69	691
Rough Sleeper			43	4	6	53
Staying with friends/relatives			124	24	14	162
Wales & West Housing Association Tenancy		7	29	26	5	67
Total	16	88	1197	752	221	2274

Applicants who join Homes in Powys are asked to say why they require housing. Households can have more than one reason - for example a prison leaver may also be threatened with homelessness. The table below shows the housing need reason declared by applicants. The highest housing need is 'Other Reason', the details of which will be recorded in the applicant's notes. Of the categorised housing needs 'Medical need or have a disability and my existing home is not appropriate for my needs' is the highest at 590 applicants followed by 'Homeless, or about to become homeless' need at 458 applicants. There are significant numbers of applicants who cannot afford private sector accommodation, need to move due to care issues or their current accommodation is overcrowded or too large.

Housing Needs of Households Registered with Homes in Powys

Housing Need	Homes in Powys Partner Tenure	Non- Homes in Powys Partner Tenure	Total
Housing for older people required	51	172	223
Need to move to give or receive support and proven level of support is required and can be given	71	174	245
Found employment in the area and need to move closer to work or will otherwise lose that employment	21	66	87

Existing home is overcrowded	119	211	330
Other reason	207	537	744
Current home planned to be demolished or needs major repairs	39	69	108
Existing house is too large for my needs	88	150	238
Experiencing anti-social behaviour or harassment	119	130	249
Experiencing domestic violence	20	58	78
Medical need or have a disability and my existing home is not appropriate for my needs	219	371	590
Current home has disabled adaptations which are no longer required	9	5	14
Homeless, or about to become homeless	39	419	458
Current home is unaffordable	63	307	370
Leaving prison	2	12	14

N.B. An applicant may choose more than one housing need reason.

Powys housing markets are as diverse as the county itself. The north west of Powys, in and around Machynlleth, is close to the Snowdonia National Park and the university town of Aberystwyth which is also the administrative centre of the county Ceredigion. Housing demand is strong, especially for affordable housing. The north east of Powys is dominated by Newtown and Welshpool, towns with relatively good rail and road links to the West Midlands and the towns and conurbations serving the Merseyside area. Housing demand is high, with Welshpool in particular experiencing high demand for homes. The centre of the county is home to Llandrindod Wells, the county town for Powys. South of Builth Wells is Brecon, which is part of the Brecon Beacons National Park. Like all national parks, property prices are high leading to very high demand for affordable housing in and around the town. The southernmost point of Powys is Ystradgynlais, a town with a proud industrial heritage and now on the edge of the Swansea commuter belt. The housing market is relatively balanced with pockets of low demand housing that no longer meets the needs and aspirations of today's households.

The risk of continued migration away from Powys by younger people, including those in their 20s and 30s, makes it more important than ever that there are affordable homes available not only to rent but also to buy. This makes the county's housing market more attractive and encourage younger and economically active households to stay in local communities. It will also help attract more young families move to the area and be at home in Powys. The shortage of affordable housing of all tenures in many parts of Powys mean that it is increasingly difficult for people who work in low wage sectors of the economy to remain living in the County. This will have a significant impact on the ability of employers to recruit to posts. The Council is developing a range of low cost home ownership options for direct delivery itself and in partnership with housing associations. This will be launched in 2020-2021.

The focus for social and affordable rented housing demand, which the HRA Business Plan is designed to contribute towards meeting, is for three main types of housing.

Specialist Housing for Older People

Powys has an ageing population and a growing need to provide appropriate homes for the elderly. The largest increase in the elderly population is projected to be in and around Welshpool and to a lesser extent also in the Brecon, Talgarth & Hay and the Newtown and Llanidloes areas. Such housing may include sheltered housing/retirement accommodation / extra care housing. Given commitments to care in the community, hybrid versions of these such as 'extra care lite' may also evolve. The provision of such a wide variety of housing will help older people to live independently for longer and release general needs housing for younger people.

Homes for Smaller Households

Household sizes in Powys are getting smaller. In 1991, the average household size was approximately 2.5 people; whereas by 2001 it was just over 2.3 persons. The household projections indicate that household sizes are likely to reduce to an average of around 2.1 by 2031. The falling household size may result in the number of households remaining relatively steady or increasing despite the reducing population.

Accessible Housing

An aging population means that to make sure its homes remain useable by older people the Council will need to adapt or extend existing – and sometimes aging - accommodation, or may have to buy and remodel properties to provide homes for people who cannot access or live successfully in un-adapted dwellings.

Investment Strategy

Over the next thirty years, Powys County Council has the capacity to invest £502,005,736 on investment in the homes it provides for the people of Powys, of which £229,932,526 will be invested in major capital improvement programmes and £272,073,210 will cover the responsive and cyclical maintenance programmes. An additional £62 million will be invested over the next five years on the development and acquisition of new homes. The new build programme will expand beyond this now that the Council can borrow prudently and without constraints imposed by government rules. However, all borrowing for new homes will only be for schemes that are financially viable and able to pay back the full cost of all borrowing incurred in bringing them to market. In this way, the Council is able to continue to expand the housing options available to the people in Powys.

The HRA investment programme represents a massive injection of resources into the local economy of Powys. Wherever practicable the Council will make sure to get the most local benefits from this investment.

Over the next two years, a comprehensive Asset Management Strategy will be completed for all the assets held within the HRA. In 2018-2019, the first stage was finished - mapping all the open spaces and green areas held in the HRA. In 2019-2020, a garage review has been completed looking at the most effective way of making use of HRA's garage estate, which includes more than directly owned garages and assorted garage sites leased to individuals. In 2020-2021, the focus will be on understanding the energy efficiency of our homes, supported by the introduction of a bespoke EPC assessment system, provided by Elmhurst a new software package purchased in 2019.

New Homes for Powys

The Welsh Government expects local authorities to significantly increase the rate of municipal house building. Powys County Council already has in place an initial programme to build 250 new homes by the end of 2023. During 2020-2021, the Council will begin building the first of those new homes.

The Council agreed in 2019 to make available to the HRA other land it owns and which is suitable for providing homes. In addition, following an advertising campaign, developers have come forward with sites they have ready-to-go but which would be better suited for affordable homes. Altogether, land has been identified with the potential to develop another 1,000 Council homes. The HRA Business Plan sets out how these opportunities can be exploited for the benefit of all those people needing a secure and affordable place to be at home in Powys.

There are now 2274 people registered with Homes in Powys for affordable, rented homes. A new build housing programme is underway which will initially deliver 250 new council homes by 2023. Further schemes are being developed to expand this programme, with provision being made in the HRA Business Plan to support 380 homes by 2025. This has been made possible by the lifting of the borrowing cap on the

HRA. However, the scale and pace of continued development will depend upon the availability of grant from the Welsh Government to allow for the homes to be let at social rents and the cost of construction, which continues to rise. If grant falls and construction costs continue to increase, the Council will need to consider how it can develop homes for open market sale to generate surplus funds to underpin the affordable housing programme.

New Homes for Powys Financial Summary 2020-21 to 2024-2025

Financial Year	HRA Business Plan Investment	Number of New Homes Completed	Notes
2020-2021	£17,096,000	0	
2021-2022	£15,439,000	227	New Welsh Government grant regime assuming 40% grant/£2 m. per year
2022-2023	£5,916,000	79	
2023-2024	£6,432,000	0	Completions by Mar 2024 – 306 homes
2024-2025	£5,867,000	74	
Total	£50,750,000	380	

Welsh Housing Quality Standard

Powys achieved the WHQS standard in December 2018. The focus has moved towards targeting ‘acceptable fails’³ and maintaining WHQS over the next five years by:

-  Reviewing support and working methods for residents concerned about disruption
-  Tackling damp properties in line with the Council’s Damp Strategy
-  Targeting improvements to deliver the Council’s Thermal Comfort and Fuel Poverty Strategy
-  Effective management of component replacement lifecycles.

This programme is therefore designed to make sure the Council’s homes continue to meet the WHQS. Some of the investment activity within the WHQS programme also contributes to the objectives of the Green Powys and Compliance One Hundred programmes.

WHQS Financial Summary 2020-21 to 2024-2025

³ Acceptable Fails: Acceptable Fails are circumstances where it is either impossible or not cost effective for a property to be brought up to WHQS or where a tenant refuses to have the work carried out. Currently Powys has 2,617 properties that have acceptable fails. Acceptable Fails fall into four categories: Resident Choice; Physical Constraint; Cost of Remedy; Timing of Remedy. The majority of Powys Acceptable Fails are due to Physical Constraint with 1808 due to location of properties in Off Gas Areas and 773 properties through Resident Choice.

Investment	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Kitchens	£630,000	£530,000	£600,000	£420,000	£400,000
Bathrooms	£500,000	£500,000	£472,500	£200,000	£200,000
Rewiring	£150,000	£200,000	£180,000	£120,000	£60,000
Windows	£999,400	£399,000	£399,000	£300,000	£0
Roofing	£2,400,000	£2,400,000	£1,500,000	£1,000,000	£400,000
Walls	£500,000	£500,000	£600,000	£400,000	£0
Estate Works (contribute to Love Where You Live Programme)	£1,000,000	£1,500,000	£1,500,000	£600,000	£600,000
External Wall Insulation (contributes to Green Powys)	£1,000,000	£500,000	£300,000	£0	£0
Heating (contributes to Green Powys)	£2,000,000	£1,500,000	£1,500,000	£1,400,000	£1,400,000
Energy Efficiency (contributes to Green Powys)	£500,000	£600,000	£600,000	£500,000	£500,000
Asbestos Management (contributes to Compliance One Hundred)	£200,000	£200,000	£200,000	£100,000	£250,000
Doors	£415,000	£250,000	£250,000	£200,000	£0
Miscellaneous WHQS	£4,369,760	£1,696,907	£2,189,525	£536,255	£637,753
Total	£14,664,160	£10,775,907	£10,291,025	£5,776,255	£4,447,753

Compliance One Hundred

The Compliance One Hundred programme is designed to make sure that all of the Council homes and associated assets are one hundred per cent compliant with all relevant and applicable legislation and regulation. With increased expectations by tenants and residents, this is a top priority for the service. A specialised consultancy was engaged in October 2019 to examine how well the Council and its contractors were making sure that all council-owned homes were fully compliant. An interim report was received in December, setting out those areas where improvements were needed. A Housing Compliance Board was established at the end of December to drive forward a focused approach to compliance. A dedicated team of skilled officers has been drawn from across the service to form a Compliance One Hundred Project team. This team will deliver all that needs to be done to make sure that the Council's homes are always fully compliant with all relevant health and safety related legislation.

The investment schemes detailed below are in addition to those included within the WHQS programme and Day-to-Day Repairs and Maintenance which includes all

inspections and servicing of safety-critical components and assets, such as heating systems and lifts.

Compliance One Hundred Financial Summary 2020-21 to 2024-2025

Investment	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Fire Safety Works	£200,000	£200,000	£100,000	£100,000	£100,000
Water Supply and Sewerage Works	£50,000	£50,000	£50,000	£150,000	£200,000
Legionella	£140,000	£150,000	£150,000	£200,000	£250,000
Asbestos & Radon	£50,000	£50,000	£50,000	£60,000	£60,000
WHQS Contributions to Compliance One Hundred (Asbestos Management)	£200,000	£200,000	£200,000	£100,000	£250,000
Day-to-day Repairs Contribution to Compliance One Hundred	£219,000	£305,000	£306,000	£307,000	£308,000
Total Compliance One Hundred Investment Programme	£859,000	£955,000	£856,000	£917,000	£1,168,000

Green Powys

As the ‘Green Heart of Wales’ Powys County Council will be working to improve the thermal comfort of its council-owned homes and at the same time, help reduce the carbon footprint of the county.

The results of the Welsh Audit Office Customer Experience Survey, has shown over 20% of our residents do not feel that all rooms in their homes are warm enough. The Green Powys programme is designed to increase fuel efficiency and reduce fuel poverty for tenants of the Council. It will also build a solid foundation for the Council to contribute towards the Welsh Government’s proposals to decarbonise homes across Wales.

The cost of decarbonising all of the homes currently owned by the Council is difficult to quantify. However, a broad brush estimate based on the costs estimated by other Welsh landlords suggest a possible investment of £135m will be needed for Powys. The Council is considering scaling back the installation of fossil fuel heating systems and

begin ramping up more sustainable systems, such as air source heat pumps, and begin developing ‘whole home’ solutions. Progress will increase once further details are known about potential new decarbonisation standards with further guidance likely to be received from Welsh Government in 2020.

The investment schemes detailed below are in addition to those included within the WHQS programme.

Green Powys Financial Summary 2020-21 to 2024-2025

Investment	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Damp Prevention	£100,000	£150,000	£175,000	£175,000	£175,000
Photo-voltaic (Solar Panels)	£50,000	£75,000	£75,000	£75,000	£75,000
Decarbonisation and Energy Efficiency	£100,000	£100,000	£100,000	£100,000	£250,000
WHQS Contributions to Green Powys	£3,500,000	£2,600,000	£2,400,000	£1,900,000	£1,900,000
Day-to-day Repairs Contribution to Green Powys	£230,000	£375,000	£425,000	£375,000	£350,000
Total Green Powys Investment Programme	£3,980,000	£3,300,000	£3,175,000	£2,625,000	£2,750,000

Powys County Council has led the Home Grown Homes initiative. This is a partnership project between housing associations, the Welsh Local Government Association, (WLGA), Community Housing Cymru (CHC), Welsh Government and Natural Resources Wales, which has increased the use of *locally grown* and processed timber in the construction of new homes. This will help support local economic activity and contribute positively towards a more sustainable environment. The project has been delivered by a consortium of Woodknowledge Wales, Cardiff Metropolitan University and Coed Cymru. The project will be completed by December 2020.

As part of its commitment to the Home Grown Homes project the council has adopted a Wood Encouragement Policy. This commits the Council to maximising wherever practicable the use of timber in the construction process.

Fit for Life

The Fit for Life programme is designed to make the Council’s homes better suited to the needs of older people and those with health related needs that impair or adversely

affect their mobility. Having already invested xxx million to make our older persons' accommodation fit for purpose, we will be investing a further xxx million over the next three financial years to support frail older people to remain living independently within the community, rather than moving into residential or nursing care.

Fit for Life Financial Summary 2020-21 to 2024-2025

Investment	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Fit for Purpose	£2,400,000	£2,200,000	£2,000,000	£1,600,000	£1,200,000
Adaptations	£650,000	£650,000	£650,000	£650,000	£650,000
Total Fit for Life Investment	£3,050,000	£2,850,000	£2,650,000	£2,250,000	£1,850,000

The adaptations budget of £650,000 is split £250,000 capital and £400,000 revenue, acknowledging that a number of larger adaptations should be treated as capital expenditure.

Love Where You Live

The Love Where You Live tenancy sustainability strategy is designed to make the homes and estates managed by the Council places where people can enjoy their lives. It includes such investment as improvements to our garage sites, additional parking where applicable, walls, retaining walls, fencing and security to properties, improved garden areas, increased footpaths and estate lighting. The investment schemes detailed below are in addition to those included within the WHQS programme.

Love Where You Live Financial Summary 2020-21 to 2024-2025

Investments	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
Brecon Area Estate Improvements	£20,000	£20,000	£36,000	£36,000	£36,000
Newtown Area Estate Improvements	£20,000	£20,000	£36,000	£36,000	£36,000
Welshpool Area Estate Improvements	£20,000	£20,000	£36,000	£36,000	£36,000
Wye Valley Estate Improvements	£20,000	£20,000	£36,000	£36,000	£36,000
Ystradgynlais Estate Improvements	£20,000	£20,000	£36,000	£36,000	£36,000
Car Parking	£0	£0	£75,000	£75,000	£75,000

Communal Area Improvements	£50,000	£75,000	£75,000	£75,000	£75,000
Garage Strategy	£100,000	£200,000	£200,000	£400,000	£400,000
Penybryn Regeneration	£300,000	£700,000	£700,000	£300,000	£0
Play Area Improvements	£0	£50,000	£50,000	£50,000	£50,000
WHQS Contributions to Love Where You Live (Estate and Boundary Works)	£1,000,000	£1,500,000	£1,500,000	£600,000	£600,000
Day-to-day Repairs Contribution to Green Powys	£408,960	£560,000	£585,000	£610,000	£635,000
Total Love Where You Live Investment	£1,958,960	£3,185,000	£3,365,000	£2,290,000	£2,015,000

Penybryn Regeneration

In Penybryn, Ystradgynlais, the Council has a cluster of flats, for which there is little or no housing demand and which are in poor condition. In 2019-2020, proposals were developed and shared with the local community to resolve what was seen by local people as a problem adversely affecting their lives. The flats were empty, unsightly and attracted anti-social behaviour. Over the next three years, some of the flats will be demolished, others reconfigured into high-quality apartments for single people and couples and centre of the estate greened as an attractive open space.

Community Alarms

During 2019-2020, a review has looked at the future of the Careline service for tenants of the Council. The review was prompted by the need to replace the current equipment, which is of an age that it is beyond economical maintenance and repair. The HRA Business Plan for 2020-2021 includes a one off provision of £600,000 for the necessary capital investment to replace the Careline equipment with up to date kit that will be more reliable, less costly to maintain and able to offer a greater range of services.

Day-to-day Repairs and Cyclical Maintenance

Repairs and maintenance covers day-to-day repairs and cyclical maintenance to the Council's homes. The majority of this work is undertaken for the Council by its joint venture with Kier, Heart of Wales Property Services (HoWPS). The current contract with HoWPS runs until xxx, with a review scheduled for 20xx. HoWPS is paid an annual sum to undertake all works set out in a Service Agreement between it and the Council. Any day-to-day works not covered in the agreement have to be funded on an as-needs basis by the Council.

Repairs and Maintenance Financial Summary 2020-21 to 2024-2025

Investments	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025
HoWPS (subject to confirmation)	£5,381,331	£5,494,339	£5,609,720	£5,727,524	£5,847,802
Estate and Grounds Maintenance	£205,221	£209,531	£213,931	£218,423	£223,010
Day-to-day repairs not covered by HoWPS Service Agreement	£1,792,448	£2,302,359	£2,429,290	£2,634,302	£2,651,681
Miscellaneous Expenditure	£259,540	£304,540	£317,540	£335,540	£343,540
Total Repairs and Maintenance Investment	£7,638,540	£8,310,769	£8,570,481	£8,915,789	£9,066,033

Housing Management System

The Council's current housing management system, QL, has a servicing agreement in place until 31st October 2021 with a provision to extend to 31st October 2022. Under current procurement rules, this cannot be extended beyond that date. Accordingly, provision has been made in the HRA Business Plan for the full cost of purchasing, installing and bringing into use a new housing management system. Work on this, with associated expenditure, will start in Q3 of 2020-2021 and be completed in 2021-2022. The total cost is estimated at £1,000,000, with 20% spent in 2020-2021 and 80% in 2021-2022.

During 2020-2021, a fully mobile approach will be introduced for housing management and maintenance officers in which they will be able to access all management systems for housing no matter where they are in Powys – subject of course to cell phone reception being available which is not always the case in an area as deeply rural as Powys. This will speed up the response to customer enquiries and mean that officers will be able to spend more time working out in Powys neighbourhoods and communities.

Acquisition of Properties

The Council has over the past few years purchased homes on the open market, the majority of which have been ex-municipal homes. In determining which properties to purchase there has been a focus on those in areas of high demand and where the new build programme is unlikely to meet the need. For 2020-2021, it is proposed to restrict the programme to Welshpool where demand is high and there are no opportunities for new development of council housing. All such purchases are subject to the same viability criteria as new build, with additional allowances made for any works needed to bring the properties up to WHQS.

Other expenditure within the HRA Business Plan includes Supervision and Management Costs, which cover the costs of managing the service, for example staff, support services and office costs, and the cost of funding debt taken on when the HRA became self-financing in 2014 and any additional borrowing secured to fund investment programmes.

Powys Council Homes, Rents and Service Charges

The Council is the largest social landlord in Powys with 5,375 properties under its management, as of March 31st, 2020.

- 40% are three bed roomed properties.
- 42% are two bed properties - this includes a substantial number of older persons' accommodation and that only 13% of two bed homes are houses
- 18% are flats
- 25% are bungalows
- 37% is designated for older persons

Number of Properties - by Type and Number of Bedrooms

Property Type	Bedrooms						Totals
	1	2	3	4	5	6	
Bungalow	454	914	9	1			1378
Double House					1		1
First Floor Flat	136	296	8				440
Ground Floor Bedsit	13						13
Ground Floor Flat	189	333	1				523
House	13	686	2071	120	6	3	2899
Maisonette		24	40				64
Second Floor Flat	21	27					48
Third Floor (or higher) Flat	3	4					7
Totals	829	2284	2129	121	7	3	5373

In 2017-2018, the Council replaced its points based rent setting model, based on property size and attributes, which had been introduced in 2000. The new model takes into account property type, property size and fuel type (fuel type is being used as a proxy indicator for SAP rating and will be replaced when complete data on SAP ratings of individual homes is available). The Council has since then used its rent setting model to set rents within the Welsh Government's overall guidance which sets target rent bands to make sure that local authorities and housing associations set reasonable rents. A target rent band is set for each authority and housing associations along with each year, a guideline rent increase.

The Council's HRA Business Plan has been stress tested to see what changes in rents and services charges need to be made to allow it to remain viable and able to increase the number of affordable homes available across Powys. The conclusion is that a rent increase of CPI+1%, equivalent to 2.7%, is necessary to make sure that the Housing Services is sustainable and able to provide homes and services for both current and future tenants. Such an increase allows rents to remain affordable and so does not contribute excessively to any increase in the cost of living for the Council's tenants.

Such an increase will still leave Powys rents below the target rent band previously set by the Welsh Government for social landlords, one of only five out of a total of eleven local authority and thirty six housing associations landlords in such a position. Powys rents will be 0.9% below the target rent band.

The Council has therefore approved a recommendation that with effect from April 2020 the average rent in Powys will increase by 2.7% (£2.42 per week) for all 5375 Council owned homes. This is considerably lower than last year's average increase of £4.25 per week. Tables below show the average rent in 2019-2020 and 2020-21 and also shows the rent of the properties which will experience the greatest increase. It should be noted that the figures show rents over a 52 week rent year. In Powys rents are charged over a 48 week rent year with two 'rent free weeks' at Christmas and two 'rent free weeks' at Easter.

HRA Rents for 2019-20 and 2020-21

	Rent - 2019-2020	Rent - 2020-2021	Weekly Change
Average HRA rent	£89.67	£92.08	£2.42
Maximum HRA rent	£189.12	£194.23	£5.11

Powys Service Charges for 2019-2020 and 2020-2021

Service Charge	Highest Weekly Service Charge		Lowest Weekly Service Charge (where a charge is made)		How the Service Charge is Calculated
	2019-2020	2020-2021	2019-2020	2020-2021	
Grounds maintenance	£1.58	£1.59	£0.04	£0.04	Calculated on a site-by-site basis, based on the size of the site and the cost of undertaking the work
Communal cleaning	£1.38	£1.61	£1.38	£1.61	Based on the total cost of the work, divided by all those who receive the service.
Communal heating and lighting	£0.56	£0.91	£0.56	£0.91	Based on the total cost of the service, divided by all those who receive the service.
Fire safety work	£1.74	£1.74	£0.12	£0.12	Based on actual costs per block and divided by all residents of the block.
TV aerials	£0.16	No cost as of 21.1.2020	£0.16	No cost as of 21.1.2020	Based on the costs associated with each aerial and divided by

					all potential users of the aerial system.
Repairs to entrance doors	£1.04	TBA	£0.01	TBA	Based on actual costs per block and divided by all residents of the block.
Communal washing lines	£0.44	£0.44	£0.26	£0.26	Based on actual costs per block and divided by all residents of the block.
Sewerage treatment	£6.33	£5.65	£6.33	£5.65	Based on the total cost of the work, divided by all those who receive the service.
Lift maintenance	£1.50		£0.75		Costs split equally between all tenants (for servicing)
Repairs to communal areas in flats	£2.45	£2.45	£0.01	£0.01	Costs per block divided between all residents of the block

During 2019-2020, a review has been undertaken of all the garage sites and plots owned by the Council. Due to the increases in the size of cars since the provision was originally made, the current garages are not always used to help alleviate on-street parking and so have a limited benefit to the wider community. Garages and garage plots are increasingly rented as an alternative to commercial provision for general storage. The review has therefore taken into account the demand for the garages for car parking, the condition of the garages, the suitability of the garages for automotive storage and the options for other uses for the sites, for example the development of new homes. Expenditure on repairs and maintenance, and replacement of garages, has historically been extremely low. The Council has been ‘sweating’ a deteriorating asset. For garage sites to continue to provide a positive income, investment in either maintenance or new build will be necessary in those sites that are to be retained.

Garage and Garage Plot Rents for 2019-20 and 2020-21

	Existing Rent - 2019-20	Recommended Rent - 2020-21
Garage Rents	£8.60	£9.86
Rent for Garage Plots	£121.46	£138.96

Resourcing the Powys HRA Business Plan

The thirty-year Powys HRA Business Plan has been produced in accordance with the model supplied by the Welsh Assembly Government and is attached with the electronic version of this document. The financial assumptions in resourcing the Business Plan are sensitive to changes in forecast income and expenditure, investment

and inflation rates. Accordingly, a number of assumptions have had to be made in planning ahead for our programme of investment in existing and additional municipal homes for the people of Powys.

Powys HRA Business Plan Assumptions

- ☞ General Rate of Inflation: at 3.4% for RPI in 2019-2020 and 2.2% afterwards and 2.4 % for CPI in 2019-2020 and 1.7% annually afterwards
- ☞ Major Repairs Allowance: £3.68 million annually over 30 years
- ☞ Allowable Rent Increases: CPI target plus 1.0% uplift, as per determination issued by Welsh Government in December 2019
- ☞ Usable Reserves: Contingency of a minimum of £1m per annum.
- ☞ Voids and Bad Debts: 5.15%.
- ☞ Responsive Repairs and Cyclical Maintenance Costs: Rate of inflation (RPI) for years 1 – 30
- ☞ Payments to HoWPS: The annual changes to the contract fee paid to HoWPS for the five year period, which influence the investment needed in repairs and maintenance, have been assumed according to the figure agreed and the formula set out in the Service Agreement and used for 2020-2021. This takes account of efficiency savings included within the Service Agreement between the Council and HoWPS.
- ☞ Major Repairs: 1.0% annually above inflation (RPI) for years 2 - 4
- ☞ Rate of inflation: (RPI) for years 5 – 30
- ☞ Financial Support for New Social Housing: Changes are expected to how the Welsh Government will in future years allocate grant to support the development of social and low cost housing. For the purposes of forward planning, a grant rate of 40% has been assumed.

Income from Asset Sales

We do not anticipate any substantial income from land or asset sales, as Right to Buy (RtB) sales have ended. In the event that Council decides to sell HRA land or other assets, such as properties beyond economical repair or for which there is no social housing demand, at anything more than nominal cost then this would have a positive impact on funding by allowing the Council to reduce borrowing. However, any beneficial effects will to some extent be tempered by reductions in income.

Involvement and Engagement

Powys County Council takes a comprehensive approach to involving, engaging and understanding our tenants and communities. This includes:

- 🔗 Tenant Scrutiny Panel (TSP) with a number of focused sub groups –including the Investing in Your Homes (WHQS) Group, and a Repairs Group;
- 🔗 Love Where You Live tenancy sustainability strategy;
- 🔗 Housing Repairs Surgeries;
- 🔗 Publication twice a year of our Open House newsletter;
- 🔗 Publication twice a year of our Welsh Housing Quality Standard newsletter;
- 🔗 Regular use of questionnaires and surveys;
- 🔗 Housing Services Group 100 consultative forum;
- 🔗 Extensive use of social media, including the Powys County Council website and bespoke Facebook pages for housing services.
- 🔗 Affordable Housing engagement events and housing need assessments.

Tenant Scrutiny Panel

The Tenant Scrutiny Panel (TSP) is a countywide, tenant led panel and has a considerable impact on Council decisions about the housing service. Membership includes tenant representatives to provide experience and knowledge from a tenants' perspective, four County Councillors and the Cabinet Member with the portfolio responsibility for Housing. The TSP is chaired by a tenant and the panel members agree the agenda items for scrutiny and discussion. Joint decisions are made at the TSP meetings between the Council and tenants. Guest speakers also attend the meetings as requested by the tenant representatives.

The Investing in Your Homes Group (WHQS) sub-group of the TSP is a small group of tenants, elected members and contract management staff that meet once a month. They monitor the progress of investment work being carried out to tenants' homes, review the feedback from and responses to tenant questionnaires, are involved in discussions for environmental works, help produce newsletters and attend Open Days and Community Events.

The Repairs Sub Group is a group of tenants, elected members, engagement officers, repairs staff and representatives from HoWPS. The group meets monthly to discuss the repairs service, make sure that tenant experiences are understood by the Council and HoWPS and drive forward service improvements.

Love Where You Live

In 2018, the Council launched its Tenant Sustainability Strategy 'Love Where You Live'. Love Where You Live focuses on how tenancy and estate management can help people enjoy their homes and neighbourhoods. It has three themes:

- 🏠 **Understanding.** To continually improve we need to know what to improve by understanding how our services and estates are experienced by tenants and residents.

-  People. To help people be able to enjoy their homes and communities, we can support, encourage and help people to play an active part in their communities and economy as well as improve their own personal well being.
-  Place. To give people reasons to love where they live, we need to make sure that the environment is green and thriving, clean and tidy – in short, a pleasant place to be.

In 2019-2020, as part of Love Where You Live the Council:

-  Improved the speed and impact of how the Council responded to tenant and resident concerns about the quality of their environment, including for example the quality of grass cutting, maintenance of shared spaces and day-to-day estate management. A full caretaker service was introduced across the County along with two dedicated, directly managed in-house grounds and estate maintenance teams. As a result, there have been visible and tangible improvements to the way the Council's estates look and feel.
-  Trialled 'Pop-up Powys', a joint project with the Council's Library service to take services out into the community, making creative use of the mobile library service. This has been extremely popular in rural areas, improving the Council's understanding of how people experience its services and what type of homes they and their communities need now and in the future.
-  Introduced a fresh approach to dealing with anti-social behaviour, which streamlined the process to make sure that the right agency with the powers to deal with problems was involved as soon as possible. A more robust approach has been taken to cases where there are clear breaches of tenancy conditions, with injunctions and other legal action (and in one case during 2019-2020 eviction) being deployed where they are the only reasonable solutions.
-  Completed the first year of a two year plan for all 41 of the play areas located on HRA estates, to make sure that decent and safe play opportunities are provided where they are most needed and in a way that allows them to be effectively and efficiently maintained to a high standard.

In 2020-2012, Love Where You Live' will:

-  Pilot a tri-Annual Tenancy Visit and Housing MoT for every tenant, which will allow for closer relationships between the Council and our tenants, helping us to work together to respond promptly to any requests for help and support to sustain tenancies and encourage financial independence.
-  Introduce a new approach to helping people maintain and manage their gardens, which will include a mix of more robust enforcement of tenancy conditions, direct intervention where necessary and support for people to gain gardening skills.

Housing Repairs Surgeries

Fifteen Housing Repairs Surgeries are held twice a year throughout the County at a time, date and location to suit the needs of the tenants who want to attend the meetings. These events have generated a lot of intelligence about the service and been popular with tenants.

‘Open House’ Newsletter

The ‘Open House’ newsletter is produced twice a year (summer and winter) and is distributed to all Council tenants in Powys. The newsletter contains housing news, information and articles. The newsletter is available to view on the Powys County Council website.

‘Investing in Your Homes’ Newsletter

The ‘Investing in Your Homes’ newsletter is produced twice a year (spring and autumn) and is distributed to all Council tenants in Powys. The newsletter contains news about works completed under the WHQS programme, the contractors carrying out the works and general news about WHQS in Powys.

Questionnaires and Surveys

In 2019, the Council took part in the STAR survey of tenants. The survey showed:

- 65% overall satisfaction
- 77% satisfied with quality of the home
- 84% happy with neighbourhood as a place to live
- 71% felt rent provides value for money
- 65% felt service charge provides value for money
- 54% satisfied with repairs and maintenance

While the overall level of satisfaction was good, particularly with the quality of homes, neighbourhood and value for money, the Council wants to do even better. A Customer First Improvement Plan was introduced in October 2019 to guide and monitor work underway to improve tenant satisfaction along with initiatives and future changes to policy and process. It was developed in consultation with tenant representatives and important stakeholders, including HoWPS, the organisation that provides day-to-day repairs and maintenance to municipal homes. This is important as the area in need of the most improvement is in the field of repairs and maintenance. A working group, including the chair of the TSP, oversee the progress of the Customer First Improvement Plan.

From November 2011, random calls have been made to tenants who have reported repairs that need attending to. This is done by the Council’s own First Contact officers and assesses the customer experience from the moment they try to report the repair to when it is completed. Initial results show satisfaction running at 75%. This customer survey will continue now throughout 2020-2021.

The Council regularly carries out surveys with tenants after their homes have been improved through the WHQS programme. These surveys are carried out either by post or telephone. All comments are considered by the Investing in Your Homes (WHQS) Sub Group with recommendation for changes being forward to the teams responsible for managing the work.

Housing Services One Hundred Group

Housing Services Group 100 is a group of active tenants who act as sounding board and consultative panel for the Council. They are consulted (by telephone, email or questionnaire) according to their preference on the area of Housing Services they would like to be consulted about (allocations, repairs, tenant participation, etc.) The views, opinions and suggestions are used by the Housing Service to inform the way policy and practice are developed. Feedback is sent to the members on the outcomes of the consultations and how their views have influenced decisions made by Housing Management. Members also receive an annual newsletter.

Social Media

An increased amount of information about the Housing Services is available electronically via the internet and social media. All information is published in both Welsh and English.

Sustainable Commissioning and Procurement

Sustainable Commissioning and Procurement is a thread which runs through the Council's Commissioning and Procurement Strategy. The Council's Regeneration Strategy and Statement of Intent is committed to ensuring that major investment opportunities of the kind afforded by the HRA Business Plan can benefit the local economy and provide the widest possible community benefits.

For WHQS, the Council will either award three-year Contracts with the option of extending these for up to a further twelve months or tenders on a scheme-by-scheme basis, depending on the nature of the works being purchased. The Council will continue to use sustainable development criteria in determining value for money including assessing the impact of economic, environmental and social factors when tendering for housing related goods, services and works.

Suppliers and contractors are encouraged to embrace sustainability through the application of contract award criteria which will take into account not only financial factors but also whole life cost and the implications for society, the economy and the environment. There may be opportunities to expand this further, to the benefit of local industry and enterprise, as the United Kingdom develops its own trade and public procurement policies following the nation's departure from the European Union on January 31st, 2020.

The Council will, wherever possible, work with suppliers to realise the benefits of sustainable procurement. Examples include:

- Adopting whole-life costs and community benefits as the contract award criteria.
- Adopting our own financial standing orders to establish criteria of "economically most advantageous" as the optimum combination of whole life costs and benefits as the best value contract award criteria.
- Implementing sustainable design and procurement strategies, and building sustainability into procurement processes and contracts, where relevant.
- Inviting proposals for the delivery of community benefits (economic, social and environmental) that are relevant to the contract and that add value to the Powys One Plan, including targeted recruitment and training and enterprise opportunities.
- Reducing the cost of doing business with the Council by reducing the costs of tendering, for example through E-tendering.
- Working with the Welsh Government to assist local small to medium enterprises (SMEs) and micro-businesses with the public sector tendering process.
- Involving tenants more closely in the procurement process and in evaluating the effectiveness of contractors.

Risk Management, Monitoring and Evaluation

Risk Management

The risks to the HRA Business Plan are included and managed using the Council's Risk Management Procedure. This is regularly reviewed, and updated as necessary to reflect changing risk profiles and scenarios, by the Council's Executive Management Team as well as the Housing Service's senior managers. The Risk Register considers all HRA project risks including new build, WHQS, income recovery, repairs and maintenance services and compliance.

Identified risks include:

- Compliance across all the Council's housing systems and assets.
- High level of voids in municipal housing stock.
- Impact of changes to social security (in particular the roll out of Universal Credit) on income collection rates.
- Development and maintenance of a compliant HRA Business Plan, including the ability of the Council to comply with national rent policy, availability of financial support from the Welsh Government for new homes, rising construction costs and the investment needed to contribute to the national driver towards zero-carbon homes.
- The reliance on HoWPS for the delivery of responsive maintenance and compliance, including:
 - The availability of contractors to deliver the new build programme.

Mitigation for reductions in rental income includes reviewing services and investment plans to identify those which, if income falls below expectations, could be reduced with the least risk to the integrity of the condition of the Council's housing assets, the development of new homes and the core management activities of letting homes promptly and collecting income due to the Council. Such programmes will be scaled back to bring overall expenditure in line with income. In addition, to address the risks arising from changes to the social security system, the Council has three Tenancy Support Officers to help people navigate these changes to the social security system as well as look at ways they can increase their incomes and in time reduce their need for social security payments. In 2019, the proactive 'Rent First', approach to income recovery was introduced which increases the 1-2-1 contact between our HMOOs and tenants and reduces the time between arrears arising and where necessary legal action being taken to encourage payment.

Mitigation for rising construction costs and lower than anticipated Welsh Government financial support for new homes includes, regular engagement with Welsh Government, considering the development of open market homes for sale, to generate profits to cross subsidise the development of affordable homes. Smarter procurement, with careful specification of homes, may also be able to contribute to reductions in costs without compromising user-experience and longevity of the homes to be built.

Mitigation for compliance has been the roll-out of the Compliance One Hundred Project.

Mitigation for high levels of voids has been the introduction in September 2019 of new targets for each stage of the key-to-key process, which with the exception of works to voids, are now largely being met. HoWPS, the Council's principle voids contractor, in December 2019 prepared a Rectification Plan to improve its work on voids, with a particular emphasis on reliable and timely return of properties after works have been completed. Changes have been made to the type of works undertaken to voids, for example kitchens and bathrooms are only replaced during the void period if they represent a clear danger to health and safety. Instead, they are included in the overall WHQS programme as would be the case if the properties had not fallen void.

Mitigation for the challenges presented by decarbonising homes includes designing investment programmes to begin now to reduce the need for energy and reduce reliance on fossil fuels, for example by greater use of air source heat pumps and photo-voltaic systems.

Mitigation for the availability of contractors has been to organise and attend meet the buyer events, regular engagement with local contractors, flexible tendering periods and during 2020 considering standard house specifications for new developments.

Monitoring and Evaluation

The Council will continually assess the impact on the HRA Business Plan of service requirement and financial variables and how changes in these may impact on priorities both in capital investment and for revenue budgets. Monthly meetings of a group of senior housing and financial specialists make sure that budget profiles are maintained and that costs are kept under control.

Financial and managerial control measures include:

- 👉 Assessing the validity and sustainability of different sources of funding such as the use of prudential borrowing to support housing provided outside of but complementary to the HRA;
- 👉 Correct deployment of capital and revenue funding;
- 👉 Keeping under review all HRA revenue expenditure to make sure that the Council identifies and makes, wherever possible, meaningful revenue savings;
- 👉 Continued development of the QL housing management system. This now has enhanced property features reporting allowing for an expanded asset management register to not only capture the information from stock condition surveys, but capture details of compliance components such as asbestos and smoke detectors;
- 👉 Progressing self-sufficiency in the ability to generate mid and long term lifecycle forecasting, so the Council does not have to rely on outsourced providers for this critical intelligence about our housing assets;
- 👉 Use of a Dynamic Purchasing System to increase the speed of delivery of Estate works and Cyclical Decoration Programmes.

The HRA Business Plan assumptions and performance against targets and expectations are regularly subject to scrutiny by councillors and tenants.