

Name of Committee:	Council
Date of Meeting:	<b>27/02/2019</b>
Relevant Scrutiny Committee:	Homes and Safe Communities
Report Title:	<b>Housing Revenue Account Business Plan</b>
Purpose of Report:	To Present the Housing Revenue Account Business Plan 2019 for Approval
Report Owner:	Andrew Treweek - Operational Manager - Building Services
Responsible Officer:	Miles Punter - Director of Environment and Housing
Elected Member and Officer Consultation:	<p>The Leader of the Council</p> <p>Cabinet Member for Housing and Building Services</p> <p>Head of Housing and Building Services</p> <p>Operational Manager Accountancy</p> <p>Operational Manager Legal Services</p> <p>Asset Manager</p> <p>Operational Manager - Public Housing Services</p>
Policy Framework:	This report is a matter for Council decision

Executive Summary:

- The report sets out the Council's 30 year business plan for housing in support of the Council's continued MRA investment from Welsh Government.
- Welsh Government (WG) requires all local authorities with retained housing stock, to submit a fit for purpose annual Housing Business Plan, incorporating a detailed financial forecast in the form of a 30 year financial model.
- The Business plan incorporates a forward statement from the Leader of the Council and the Cabinet Member for Housing and Building Services, reflecting the work being undertaken to develop sustainable communities and neighbourhoods where residents can be proud to live.
- Guidance for the submission of the Housing Business Plan was received from Welsh Government in January, with a submission deadline of 31st March 2019. This will be the first Cabinet the Business Plan could be practically presented to, however, it also requires approval by Council. In order to achieve this, it will be requested to use article 14.14 of the Council's Constitution (urgent decision procedure).
- The provision for doubtful debts has remained at 6% of rental income to allow for the negative impact of Welfare Reform and in particular, Universal Credit on rent collection, with a reduction to 3% from 2022 onwards.
- The Housing Business Plan is both viable and sustainable in terms of meeting the Council's obligations on WHQS for existing stock, the level of debt and the potential for New Build and Regeneration.

## **1. Recommendation**

- 1.1** That Council approve the Housing Business Plan 2019/20 attached at Appendix 1 to this report.

## **2. Reasons for Recommendations**

- 2.1** To obtain approval for the Housing Business Plan 2019/20.

## **3. Background**

- 3.1** The Welsh Government (WG) requires all Local Authorities who retain their housing stock to submit annually an acceptable Housing Business Plan that incorporates a detailed financial forecast in the form of a 30 year financial model.
- 3.2** The Business Plan is the primary tool for a Local Authority's housing landlord service and includes all assets within the Council's Housing Revenue Account (HRA).
- 3.3** The Business Plan must be submitted to WG by 31st March 2019 and requires approval by Council.
- 3.4** The submission will then form the basis of the Major Repairs Allowance (MRA) grant application, a pivotal financing component for the Housing Improvement Programme.

#### 4. Key Issues for Consideration

- 4.1 The financial model used incorporates the most recent investment requirements based on the Council's Keystone Asset Management System and any other known issues.
- 4.2 Gross average rents for standard stock units are £96.88 in 2019/20 calculated on a 52 week basis. After 2020/21 rents have been assumed to increase by CPI + 1% as per WG Business Plan Guidance.
- 4.3 The Major Repairs Allowance has not yet been advised by WG. It has therefore been assumed in the Plan as £2.759m per annum, in line with the award for 2018/19. No inflation has been assumed on this grant.
- 4.4 The Plan is able to afford new build and acquisition schemes of £46,410m in the first 5 years to 2023/24, and a further £217.319m in years 6-30.
- 4.5 All other revenue income and expenditure is based on the 2019/20 budget.
- 4.6 The provision for doubtful debts has remained at 6% of rental income to allow for the negative impact of Welfare Reform and in particular, Universal Credit on rent collection, with a reduction to 3% from 2022 onwards
- 4.7 The latest projections are attached at Appendix G(i) and G(ii) to the Business Plan. The total amount of debt outstanding in any year will not exceed £103.72m, which is the Limit on Indebtedness set during the HRA Subsidy Buy-out on 2nd April 2015.
- 4.8 A summary of the movement in the financial position is included in the table below:

	Base Plan - April 2019
HRA Useable Capital Receipts Balance at 1st April 2018	0
Opening Housing Capital Financing Requirement at 1st April 2019	£76.468m
Peak Debt	Year 4 £102.430m
Repayment of Debt	Year 27
Revenue Surplus in year 30	£75.737m

- 4.9 The main reason for the reduction in the revenue surplus and the increase in peak debt is due to additional investment being allocated to the new build and acquisitions programme.
- 4.10 There are a number of risks associated with the assumptions used in the financial projections for the Business Plan. The Council therefore needs to undertake sensitivity analysis to examine the impact of various scenarios on the ability to deliver the Plan. WG guidance requires authorities to model scenarios that are considered relevant to the Plan. It is considered appropriate that this analysis covers the first 10 years of the Plan as it is difficult to accurately assess the position in the longer term. The results are shown at Appendix H to the Plan.
- 4.11 The Business Plan is most sensitive to the following four scenarios:
  - 4.11.1 Sensitivity 1 - a reduction in the potential rate of rent increase to CPI + 0.5%.
  - 4.11.2 Sensitivity 2 - a reduction in the potential rate of rent increase to CPI only.

- 4.11.3 Sensitivity 3 - Reduction in rate of rent increase to CPI + 0.5% plus increase of 1% on cost inflation.
- 4.11.4 Sensitivity 5 - The cessation of the Major Repairs Allowance (MRA).
- 4.11.5 Sensitivity 10 - The cost of repairs and maintenance and WHQS increase by 1% above inflation per annum.

## **5. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 5.1 Looking to the long term, the Housing Revenue Account Business plan projects the investment required to maintain improve and develop new housing stock and explores the sensitivities in being able to deliver on such proposals. This means planning for the future and taking a strategic approach to ensure housing services are sustainable and meet the future need and demand for Housing.
- 5.2 By taking an integrated approach to public housing, through investment in the current housing stock, it is recognised the Council cannot fully address all social housing issues. It is therefore essential to continue to work with our RSL partners to support and deliver housing need within the Vale of Glamorgan. This form of collaboration ensures the continued supply of appropriate housing to meet current and future need.
- 5.3 Housing Services continues to involve tenants and residents in meeting housing need and the HRABP seeks to respond to future demand taking account of changes to housing need. The plan also identifies resident involvement in developing sustainable communities to ensure residents can be proud of their homes and neighbourhoods.
- 5.4 The HRABP forecasts the potential impact tenants and residents may be experiencing in the maintenance of their tenancy. The launch of universal credit is having a large impact on rent arrears and the Housing Service have responded by being proactive with tenants to develop their work skills, self-esteem and financial management to ensure they can maintain their tenancy.

## **6. Resources and Legal Considerations**

### **Financial**

- 6.1 The Abolition of the Right to Buy and Associated Rights (Wales) Act 2018 gained Royal Assent on 24 January 2018. The provisions in the Act mean abolition of the rights will come into force on 26 January 2019 however there are some exceptions during the transitional arrangements. The Business Plan does not assume any HRA receipts.
- 6.2 The WG is providing grant funding to support new Council house building. The Affordable Housing Grant (AHG) has been confirmed for two current projects. The Council will take out a loan to fund capital expenditure and the AHG will be paid as an annual grant over a 30 year period and will be used to finance the interest and capital repayments of the debt.

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- 6.3** The Housing Business Plan is both viable and sustainable in terms of maintaining the Council's obligations on WHQS for existing stock, the level of debt and the potential for New Build and Regeneration.
- 6.4** Given the forecasted surpluses, the availability of resources to meet the Council's obligation should be relatively resilient to changes in financial conditions.
- 6.5** The figures in the Housing Business Plan are based on current projections and if the financial conditions should worsen then the level of investment proposed may not be achievable and mitigating actions will need to be undertaken e.g. a reduction in the new build programme. The Plan does cover a 30 year period and will be reviewed on an annual basis and can be amended accordingly to meet any future changes in conditions.

### **Employment**

- 6.6** The Business Plan includes work being undertaken to improve tenants' skills, qualifications and knowledge to assist them in entering gainful employment to help them manage their tenancy.

### **Legal (Including Equalities)**

- 6.7** It is a legal requirement of the WG for each Local Authority that retains its housing stock to produce a Business Plan and 30 year financial forecast, describing how it will provide the investment to meet and continue to meet, the Welsh Housing Quality Standard.

## **7. Background Papers**

Housing Business Plan 2019/20



The main graphic consists of several stylized elements. At the top, there are green silhouettes of various buildings, including a row of houses, a two-story house with two figures in front, a tall apartment block, and another two-story house with two figures. Below these is a blue horizontal bar containing the text 'VALE of GLAMORGAN COUNCIL' in white, and 'HOUSING BUSINESS PLAN' in large white letters. Underneath the blue bar is a darker blue bar with 'March 2019' in white. To the left, the text 'Strong Communities with a Bright Future' is written in a light blue font, with 'Bright' in a larger font size. To the right, there are green silhouettes of people, some standing in a group, some holding hands, and one person holding a key. A thin green line curves around the bottom and right sides of the central text and icons.

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## Joint Message

### **Message from the Leader, Councillor John Thomas and the Cabinet Member for Housing and Building Services, Councillor Andrew Parker.**

The Housing arena still has much happening within the sector and there is now nationwide recognition for the housing shortage. Consequentially, house building now appears as a major agenda item across Britain as well as Wales. However, this agenda is not just about building new homes but also very much about the 'quality of home' both for new build and within the existing stock. Developing sustainable communities continues to be high on the agenda and this includes encouraging people into work. The Housing Service is proactively supporting tenants to gain work related skills through various projects. The Community Investment Team has been involved in a number of projects, which have supported the aims of the Community Investment Strategy. Over 500 residents have taken part or engaged in community based activities including; recycling events, litter picks, green spaces and fun days. The Time Banking scheme is now firmly embedded in the work of the team and we have seen a significant increase in the number of tenants who are now engaging with volunteering. Volunteering brings huge benefits to those taking part and those engaged in such projects have reported increased self-esteem as a result of volunteering.

The Council is already seeing the benefits of these projects, especially in terms of bringing communities together, with one in four of those volunteering feeling valued by their neighbours. Our volunteering projects have also seen tenants engage in training which supports their volunteering activities. In April 2018, Vale Housing joined forces with Newydd to run a children's bike club which bring together local families in the Treharne and Gibbonsdown areas to learn how to ride bikes safely. The project has enabled children to access bikes who would otherwise not get the opportunity. Although the activity is for children, their families are strongly encouraged to come along thereby creating a positive family based activity. The 'Kicks' Football sessions still continues to attract excellent levels of engagement from young people living in Barry.

The Community Investment Team in partnership with local residents have been focusing on bring the waste land at Margaret Avenue back into use. Volunteering events have focused around painting the railings, cutting back the overgrowth and building planters. Colcot School attended one session as they become actively involved in the long-term management of the garden. The children very much enjoyed painting old tyres, which are then used to make colourful planters.

We have worked with residents in Penarth, to develop the green spaces around the flats. We have held consultation events with the residents to gather their ideas on how we can improve the area. We are also developing a good neighbour volunteering project through time banking to support our vulnerable tenants in maintaining their gardens.

Employment and training activities continue to support some of those furthest away from the job market and we have supported 6 tenants into employment as well as supporting 44 to maintain employment for over 3 months and a further 26 maintaining employment for over 12 months. 18 tenants have engaged in training programmes which has resulted in them gaining recognised qualifications.

Since the launch of our digital inclusion suites in the sheltered scheme on average we have 80 people per month attending the sessions with 31% of those attending reporting they feel more confident using digital technology. Our general needs digital inclusion sessions have supported 253 tenants to access digital services.

The full impact of the Universal Credit role out has not yet been felt by the service, however, the Council are working hard to support families in maintaining their tenancies and the work currently being delivered through volunteering and training opportunity should help in managing their home.

**Councillor John Thomas – Leader of the Council**

**Councillor Andrew Parker – Cabinet Member for Housing and Building Services.**

## Housing Business Plan - Our Way Forward

The Well-being of Future Generations (Wales) Act puts in place a 'sustainable development principle' which tells organisations how to go about meeting their duty under the Act:

*"You must act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs, by taking account of the sustainable development principle".*

The sustainable development principle means considering how actions are taken to support continuous improvement by:

- **Looking to the long term** – for us this means planning for the future and taking a strategic approach to ensure services are sustainable and that we understand the future need and demand for services.
- **Taking an integrated approach** – for us this means thinking about the needs of our customers and working with our partners.
- **Involving the population in decisions** – for us this means engaging with our residents and customers, including the business community and ensuring that we are listening to a wide range of views to inform our thinking.
- **Working in a collaborative way** – for us this means recognising we can achieve more and deliver better services by working as part of a team, for example by working with the Third Sector, Town and Community Councils and neighbouring authorities.
- **Understanding the root causes of issues and preventing them** – for us this means being proactive in our thinking and understanding the need to tackle problems at source for example by undertaking needs assessments to inform our priorities.

The Housing, Community Safety and Building Services Team deliver a range of customer focused services in the Vale. We have broadly defined our aims as:

- We respect and value our customers
- We know our customers and understand their needs
- We provide value for money services
- We work with partners to create sustainable communities
- Our staff are professional, know what is expected of them and trained and supported to achieve their potential
- We create a culture whereby everyone has a positive 'can do' attitude taking ownership and responsibility
- We get things right first time every time
- We are innovators, seeking to go the extra mile, sustaining existing customer relations and developing new ones
- We are a listening and learning team

This business plan has been developed to support the aims of the service and focus resources on the projects which support these key aims.

Social landlords now have greater freedom and flexibility to manage their services following a departure from the HRA subsidy system and the Vale of Glamorgan endeavour to increase the number of homes available whilst maintaining and improving the existing housing stock.

Brexit continues to add a layer of uncertainty over the Council's programme and could contribute to labour shortages as well as difficulties in material supply. The Council will continue to monitor the market and take appropriate action to mitigate the impact through engagement of local contractors and sourcing alternative materials where necessary.

Social landlords across the United Kingdom continue to quantify the effects of welfare reform and how successful it and its partners' interventions have been in terms of supporting tenants and

providing them with alternative accommodation. In the Vale interventions such as increased resources, associated money advice and downsizing incentives have resulted in a nil rate for 'under Occupancy Charge' evictions and a less than 1% rent arrears annual outturn. This robust approach to income management continues to allow the delivery of the investment plan and a reduced reliance on borrowing.

During 2016 the UK population voted to leave the European Union, the details of this departure are still being debated and at present the impact on the Welsh economy is uncertain. Council's in Wales receive a number of grants from the European Union to support Welsh investment and the future of this investment will need factoring into the business plan as the detail emerges. The European Structural Fund supports people into work and training, youth employment, research and innovation, business (SMEs) competitiveness, renewable energy and energy efficiency, and connectivity and urban development. Previously the Vale of Glamorgan Council has benefited from such funding to support energy efficiency projects within the Housing Stock and withdrawal of such funding will require the Council to be more innovative in its business plan if alternative funding is not made available.

With the major investment programme now having achieved the WHQS, the investment programme now concentrates on wider aspects of the home including the fuel poverty/carbon reduction and improving neighbourhoods. With opportunity to now refocus investment, other programmes of work are now being developed and delivered, covering the following:

- Fencing and boundary treatments
- Environmental enhancements to assist in the management of anti-social behaviours
- Further enhancements to fuel efficiency.
- Providing new homes to supplement the existing housing stock and remove problem areas

This Housing Business Plan identifies sufficient financial resource to deliver further improvements to our housing stock and the communities in which our tenants live, as well as develop new homes for the social rented sector. The Housing Improvement Programme is set to continue the improvement and modernisation of the Council's housing asset and the Council are working hard to ensure the works carried out will meet the needs of the residents and be of the highest standard.

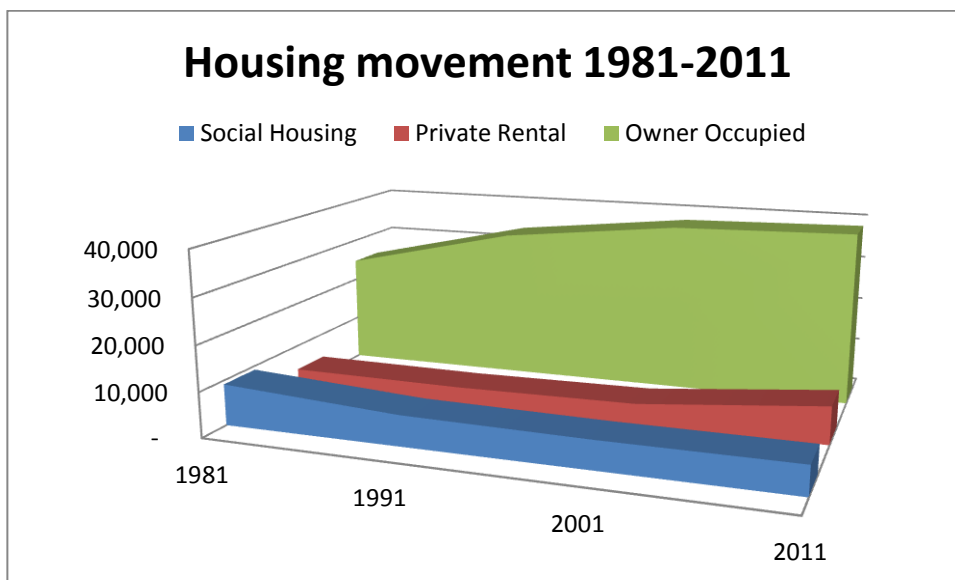
The delivery of the programme will also continue to see wider benefits to the lives of people across the Vale with an emphasis on local labour, the employment of local sub-contractors, apprenticeship opportunities and continued delivery of other added value through community benefits.

We are confident this plan will help us to build a service which is fit for purpose, encourages a culture of learning and improvement, provides value for money and will create safe, attractive and sustainable communities which our residents will be proud to live in. We are committed to achieving this and improving the quality of life for all.

# 1. Introduction

## 1.1 Strategic Approach

At the time of the 2011 Census the Vale of Glamorgan had 53,505 dwellings and of this total 72% of the households owned their own home, 16% of households rented from a private landlord and 12% lived in social housing either rented from the Council or one of the four registered social landlords operating in the county. Over the period 1998 to 2011, whilst home ownership has remained the most prevalent tenure in the Vale of Glamorgan and the number of people who owned their own home has grown over the last 30 years, although the percentage of homeowners has fallen from 78% in 2001 to 72% in 2011. The percentage of households renting from a private landlord has increased from 9% in 1991 to 16% in 2011 and whilst the percentage increase does not appear too significant, the actual number of households renting privately has more than doubled from 4,033 households in 1991 to 8,379 in 2011. Over the same 20-30 year period of time the percentage of households living in the social rented sector has declined from 24% in 1981 to 12% in 2011. Social renting is the only tenure in the Vale of Glamorgan where the number of households has declined from over 9,000 households in 1981 to under 6,500 in 2011, a decline of over 30%. For the first time in 30 years the private rented sector has grown larger than the social rented sector in the Vale of Glamorgan. The graph below illustrates these trends.



The Council's most recent Local Housing Market Assessment (LHMA) undertaken in 2017 conducted in accordance with the Welsh Government's step by step guide 'Getting Started on Your Local Housing Market Assessment' 2014 provides a quantitative approach to calculating housing need and its results show a need for a total of 576 additional affordable homes per annum over the next five years (2017-2022). This figure comprises of 479 social rented units (an increase from the 2015 LHMA of 331 additional units) Nil low cost home ownership units due to the already committed supply being sufficient to meet the projected need over the 5 year period and 97 intermediate rented homes each year (a total of 2,880 additional affordable homes) over the five year period). The Vale of Glamorgan Local Development Plan (LDP) was adopted in the summer of 2016 and established an affordable housing delivery target of 2,914 units over the period of the Plan 2011 - 2026 as appropriate. This has been derived from an assessment of both the 'need' established through the LHMA and the potential delivery of affordable housing from allocated and windfall developments taking into account the viability evidence contained in the Council's Affordable Housing Viability Study. This target relates only to those affordable homes that will be secured through the planning system and excludes both small windfall sites of

between 1 to 4 units and any affordable housing units delivered through other mechanisms such as Social Housing Grant. Whilst the affordable housing delivery target contained in the LDP is lower than the need identified in the LHMA 2017, the Council has sought to strike a balance between maximising the delivery of affordable housing to meet the identified need whilst ensuring that the development viability is not undermined to the extent that the LDP is not deliverable.

A revised Local Housing Market Assessment will be delivered in October 2019.

### **Local Housing Strategy 2015-20**

This provides the vision for housing in the Vale of Glamorgan, and in order to achieve this, four key aims have been identified all of which are supported by the Council's Business Plan:

1. To provide **more homes and more choice**; ensuring that all residents have access to suitable and affordable accommodation.
2. To **improve homes and communities**; by ensuring housing is maintained and fit for purpose, increasing the supply of good quality, energy efficient homes in vibrant and sustainable communities.
3. To provide **better housing advice and support**; ensuring that residents have access to the housing and services they need to live independently and plan their housing futures.
4. To promote **equality of access** to housing and housing services.

These will be achieved:

1. Through the new Council house building programme; the Council house building programme financed through the Business Plan and Housing Finance Grant II will provide new build homes and sustainable communities. All homes will meet Development Quality Requirements (DQR) and some will be specifically designed to meet the needs of disabled applicants and families on the Council's Accessible Homes Register.

House building contributes to the economy; research shows that for every £1 invested in construction £2.84 of economic activity is created for the wider community. The council house building programme will support the 'First Job Opportunities Programme' so that through targeted recruitment and training this can be concentrated on the local economy. Additional community benefits can be a major factor in helping to tackle poverty and create jobs and training opportunities in the poorest communities.

2. Through the acquisition of additional property available for sale on the open market. This is a small investment project but has opportunity to increase the Council's housing stock each year.
3. Through ensuring all Council homes are maintained to the Welsh Housing Standard (WHQS) levels and environmental improvements are ongoing.

Housing is an important aspect of regeneration and area renewal; investing in housing is an investment in communities. The Council will ensure that by maximising and making the best use of investment in housing it will offer broader benefits to communities as a whole, contributing to sustainable, vibrant and prosperous communities.

4. By providing current Council tenants and prospective tenants with the housing advice and/or support that most people require at some point in their life in order to access or maintain their accommodation. Whilst support is provided and funded through the Supporting People Programme, housing advice is provided by the Housing Service to an

individual or household experiencing difficult personal circumstances caused by factors they may or may not be able to control. The advice and assistance is provided to help them cope with the situation and get their lives back on track. Asking for advice can be proactive and positive, a step towards planning a successful housing future.

In addition to providing on-going advice and support, Housing Service also provides a specialised Money Advice Service to all new Council tenants and those experiencing financial difficulties. The Service assists tenants in maximising their income and provides them with advice and assistance to maintain their home. The Council has also provided two years funding for a 'Tenancy Ready' Officer to provide pre-tenancy training and advice in order to ensure that each new tenant of the Council understands their rights and responsibilities before moving into their home.

5. By assisting people in the Vale of Glamorgan to access the right type of accommodation that is affordable, suitable and meets their needs and circumstances. Improving access to suitable housing for all households contributes to an effective housing system; creating more sustainable housing solutions and enabling people to live independently for longer in their own communities.

The Council operates one single choice based lettings scheme for all social housing in the Vale of Glamorgan, Homes4U, which advertises and allocates the homes. Operating one single scheme provides benefits to residents as they only have to register once to be eligible for five landlords. Homes4U was the first choice based lettings scheme in Wales and aims to provide greater opportunity for applicants to decide where they wish to live by allowing them to bid for homes in areas they really wish to live in.

The Equality Act 2010 aims to ensure that everyone has the right to be treated fairly when using public services. The public sector equality duty requires all public bodies to:

- Eliminate discrimination, harassment and victimisation.
- Advance equality of opportunity.
- Foster good relations

This forms the basis of the Vale of Glamorgan Council's aim to provide equal access to housing and housing services. This aim is being achieved by the Service working towards a number of key objectives;

### **Corporate Plan 2016-2020**

This plan identifies how we will contribute towards achieving the Council's vision – '**Strong communities with a bright future**'.

Our plan outlines our key priorities for the next four years and how we will manage our resources to deliver these. The plan gives an overview of our service, what we aim to achieve, why this is important, how we will achieve it, how we will monitor progress and what success will look like.

It is important that as a Council we have shared values and our service is committed to delivering its priorities within the context of the Council's core values:

- **Ambitious:** Forward thinking, embracing new styles of working and investing in our future.
- **Open:** Open to different ideas and being accountable for the decisions we take.
- **Together:** Working together as a team that engages with our customers and partners, respects diversity and is committed to quality services.



- **Proud:** Proud of the Vale of Glamorgan: proud to service our communities and to be part of the Vale of Glamorgan Council.

Our Council's priorities are contained in the Corporate Plan 2016-20 and are expressed as well-being outcomes and objectives. These have been decided upon following consultation with key stakeholders including citizens of the Vale of Glamorgan. Our well-being outcomes and objectives are:

Well-Being Outcome	An Inclusive and Safe Vale	An Environmentally Responsible and Prosperous Vale	An Aspirational and Culturally Vibrant Vale	An Active and Healthy Vale
Well-Being Objective	Reducing poverty and social exclusion	Promoting regeneration, economic growth and employment.	Raising overall standards of achievement.	Encouraging and promoting active and healthy lifestyles.
Well-Being Objective	Providing decent homes and safe communities	Promoting sustainable development and protecting our environment.	Valuing culture and diversity	Safeguarding those who are vulnerable and promoting independent living.

The well-being objectives illustrate the contribution Council services will make to achieving the Well-being Goals for Wales. The Well-being Goals have been established to ensure all relevant bodies in Wales are working towards the same vision as part of the Well-Being of Future Generations (Wales) Act 2015. The Act is about improving the social, economic, environmental and cultural well-being of Wales. The Act is intended to make public bodies think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. The contribution our service will make to the well-being goals is highlighted throughout our service plan.

Over the next four years Housing & Building Services will take the actions outlined below to contribute to the Corporate Well-being Outcomes and Objectives.

Well-being outcome	Well-being objective	Ref	Action
WO1: An Inclusive and Safe Vale	O1: Reducing Poverty and Social Exclusion	IS002	Continue to work with partners to deliver the objectives stated within Financial Inclusion Strategy, including the multi landlords group to mitigate the negative effects of Welfare Reform on all social tenants living in the Vale.
WO1: An Inclusive and Safe Vale	O1: Reducing Poverty and Social Exclusion	IS002	Commence a suitable estate based regeneration project in collaboration with the local community and key stake holders.
WO1: An Inclusive and Safe Vale	O1: Reducing Poverty and Social Exclusion	IS002	Continue to work with partners to increase the range of projects and initiatives which support employment, healthy living, financial and digital inclusion and deliver the objectives within the Community Investment Strategy.
WO1: An Inclusive and Safe Vale	O1: Reducing Poverty and Social Exclusion	IS003	Provide information and support to residents affected by Welfare Reform / Universal Credit and raise awareness of staff and partners about the impact of the changes.

<b>Well-being outcome</b>	<b>Well-being objective</b>	<b>Ref</b>	<b>Action</b>
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS007	Develop a pilot programme of renewable technologies to reduce carbon footprint in the Council's housing stock.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS007	Maintain a focus on the management of empty homes and achieve greater efficiencies through reducing the time taken to re let properties.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS007	Develop a Tenant Scrutiny Panel.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS008	Continue to develop and identify opportunities for the Council House development programme.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS008	Produce a Housing Development Strategy.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS008	Continue to develop an Asset Management/ Investment Strategy for Council Owned Homes.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS008	Review the existing Council Rent Policy to accommodate the new council Housing Development Properties.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS008	Implement the Housing Development Strategy.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS009	Continue our work with partners to provide appropriate accommodation and support services for particular vulnerable groups.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS009	Liaise with Welsh Government and the existing identified traveller community to identify the most appropriate housing solution for their needs.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS009	Work with our partners regionally and lead on the development of the Housing with Care and Support for Older People Strategy to promote independent living.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS009	Implement the recommendations from the Accommodation with Care and Care Ready for Older People report.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS009	Oversee the implementation and monitor the delivery of the interim supporting people guidance using the housing support grant.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS009	Review options to engage OT Services for Council house adaptations.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS011	Work with partners to increase the number of number of sustainable, affordable homes in the Vale.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS013	Evaluate the key outcomes of the pilot domestic abuse referral and assessment service (DARAC) and source long term

Well-being outcome	Well-being objective	Ref	Action
			funding.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS013	Focus on delivering a more strategic approach with our partners to how we tackle violence against women, domestic abuse and sexual violence.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS013	To implement a regional Violence Against Women, Domestic Abuse and Sexual Violence (VAWDASV) Strategy with Cardiff and Cardiff and Vale Health Board.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS013	Continue the roll out of the National Training Framework for violence against women, domestic abuse and sexual violence.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS013	Develop links with our vulnerable residents and hard to reach groups in line with our Community Cohesion Plan.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS014	Continue to prevent and tackle incidents of anti-social behaviour including implementing restorative justice approaches for young people.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS016	Develop and promote a new Community Safety Strategy for the Vale of Glamorgan.
WO3: An Aspirational and Culturally Vibrant Vale	O6: Valuing culture and diversity	AH2	Work with partners to develop the new Cardiff & Vale Substance Misuse Commissioning Strategy 2018-2023, providing support, information and effective interventions.

### **Housing Service Plan 2019-2023**

Our service plan is reviewed annually and is informed by and reflects the environment within which our service operates. As well as contributing to the well-being outcomes and objectives from our Corporate Plan, our service has taken the following into consideration when drafting our plan:

- The Housing Service Annual Self-Assessment which provides an overall position statement for the year based on specific issues relating to performance, customer experience, and the use of resources (workforce, financial, ICT and assets);
- Our budget including planned service savings and efficiencies and the implementation of the Council's Reshaping Services Change Programme;
- Relevant Welsh Government and National Government legislative and policy changes;
- Vale's Single Integrated Plan
- The Council's Housing Business Plan providing information on the ability to deliver the service objectives including the building of new Council housing to meet the specific needs of the communities.
- Strategies and plans under which the service takes its direction including but not limited to the Local Housing Strategy, Financial Inclusion Strategy; Housing Revenue Account Business Plan
- **Team planning sessions** held across the Division. The Division takes a holistic approach to service planning whereby team planning is not only driven by the objectives of the service plan but feed into the service planning process i.e. planning is integrated.

## 1.2 Housing Service Objectives

The Council is committed to providing effective housing services. We recognise good strategic planning and partnership working are integral to ensuring the services provided meet the needs of our customers both now and in the future and are fundamental to services representing value for money. By working closely with our tenants, we will ensure our tenants homes are in a good state of repair, they are safe and secure and they meet the diverse needs of different households. We are committed to promoting equality of opportunity and recognise the contribution good quality housing makes to our communities as a whole.

Housing Services directly manage just under 3,900 tenancies throughout the Vale of Glamorgan which range from bedsit flats to four bedroom houses. Some of the dwellings are for specialist needs with sheltered housing for older people and others which have been adapted to meet the specific needs of our disabled tenants.

The Council aspires to provide high quality landlord services by listening and responding to our current and future customers to ensure our services and properties meet customer needs.

Our mission is to provide a 'Quality of Service, Quality of Life' and our aims are detailed below.

- We respect and value our customers;
- We know our customers and understand their needs;
- We provide value for money services;
- We work with partners to create sustainable communities;
- Our staff are professional, know what is expected of them and trained and supported to achieve their potential;
- We create a culture whereby everyone has a positive 'can do' attitude taking ownership and responsibility;
- We get things right first time every time;
- We are innovators, seeking to go the extra mile, sustaining existing customer relations and developing new ones;
- We are a listening and learning team;

These aims are based around the core values of: respect, trust, excellence, having a listening and learning approach and a 'Can do' attitude;

The Council Housing Service plan 2019/20 is attached as Appendix A which includes our forthcoming actions and service standards including notable achievements, key performance information and targets.

## 1.3 What is a Housing Revenue Account (HRA) Business Plan?

The HRA Business Plan will:-

- Explain the Council's approach to maintaining the Welsh Housing Quality Standard (WHQS) and managing its housing service.
- Inform Members & Tenants.
- Review & adjust the 30 year financial model.

The HRA Business Plan is a statement of intent explaining how the Council will develop its response to tenants and leaseholders across a range of housing activities. These include improvements to its housing stock, housing management services, responsive repairs, providing support services to older and vulnerable tenants, sheltered housing, estate environmental improvements and new Council housing.

The HRA Business Plan is supported by a 30 year financial model which projects future rental levels, running costs, construction costs and inflation levels. It identifies the funding sources required to meet the improvement programme, including the borrowing required to support the level of capital investment works. This financial model has been subject to a number of stress tests to ensure it remains viable following potential external challenges and influences. The HRA Business Plan is a key driver for the Council to maintain its housing stock at the WHQS and in providing its tenants with quality modern facilities from 2017, which will be maintained in future years.

## **1.4 Housing Improvement Governance Structure**

As part of this revised governance structure (Set out in Appendix B), brought about by the change in management, the performance management of the investment programme including the maintenance of the WHQS to the housing stock, is controlled through the Housing performance framework where it is subject to direct scrutiny from the client.

Appropriate levels of financial resource are available to provide effective supervision of individual projects and to ensure the 'Welsh Housing Quality Standards' is considered in all work programmes.

In addition to the internal management arrangements, the Council recognises the importance of tenant engagement and participation. The Quality and Design Forum (QDF) therefore, continues to play an essential part in monitoring and challenging programme delivery. This includes regular meeting with the tenant QDF members and framework contractors.

Appendix C outlines the Housing Improvement Team Structure for delivering the investment programme including WHQS maintenance work. The Tenant's Governance Structure has been established to help deliver the Housing Improvement Programme, which includes a Tenants Quality & Design and Sheltered Housing Forum with a chair and tenant representatives.

## **1.5 Delivery of Improvement Programme**

Following completion of the Major Investment programme for WHQS, the Council will be using a combination of external contractors and the in-house service provider (DSO), to deliver the Housing Improvement Programme. The appointment of the external contractors is based on project size and skill sets with all projects being procured through Sell2Wales. Each contractor will be assessed as part of their tender submission and assessed against a set of quality criteria which follows i2i's SME Friendly Procurement Guide ("Can Do Toolkit"). There is an obligation on each contractor to commit to the following:-

- Using local subcontractors.
- Employing local labour.
- Supporting the local supply chain.

- Employing and training local apprentices (minimum of one apprenticeship per £1m spend).
- Creating employment and training opportunities.
- Supporting community initiatives.

Work is now concentrating on the maintenance of WHQS and other improvements to our homes and estates including environmental improvements. Contractor contributions in the form of Community Benefit funds are being utilised for local initiatives and improvements which tenants would like to see within their own communities.

A WHQS compliance policy has been adopted by the Council, as requested by the Welsh Government, to provide detail of the Council's process for interpretation and resolution of 'Acceptable fails'.

Improvement and investment work is largely focused on maintaining the housing stock to WHQS requirements, improving estate infrastructure to reduce the fear of crime and generate a pride of place, improving the building fabric to reduce damp and condensation and remodelling the stock where necessary to provide appropriately sized accommodation which meets housing need.

## **1.6 HRAS Buy-out**

The eleven remaining Welsh Local Housing Authorities exited the HRAS (Housing Revenue Account Subsidy) System on 2nd April 2015 following an agreement reached between The Welsh Government (WG) and HM Treasury. The agreement saw Welsh Local Housing Authorities (LHAs) drawing down loans from the Public Works Loan Board (PWLB) of £919.5M in order to 'buy themselves out' of the current Subsidy system. In terms of the Vale of Glamorgan, some £5M per annum of rental income previously paid to WG has been replaced with loan and interest payments totalling around £3.8M per annum on a settlement figure of approximately £63.2M.

HM Treasury requires a housing related borrowing cap (Limit on Indebtedness) in order to control public sector borrowing. Failure to comply with this will result in sanctions by Treasury. However, this borrowing cap has been removed for all English Councils with housing and the Welsh Government have consulted Welsh Councils' on a similar removal of the cap.

This plan continues to work within the Borrowing Cap and has been stress tested under these parameters, however, should the cap be removed future plans will be tested under prudential borrowing principles.

## **1.7 Rent Levels**

In December 2013, the WG agreed to fix the level of rent increases for a period of 5 years from 2014/15 to 2018/19, under the Policy for Social Housing Rents. The policy for 2019/20 is a transitional year and was issued by WG on 12th December 2018 along with the target rent bands. The maximum allowable uplift has been set at CPI (as at September 2018) 2.4% only. However, where a social landlord's average rent is below their target rent band, an additional £2 per week can be applied.

The Vale of Glamorgan's 2019/20 average weekly rent (based on 52 weeks for Business Planning purposes) is anticipated to be £96.88. This was calculated based on an average increase of 4% which is CPI (2.4%) plus an average of £1.22 per week and is below the maximum of CPI plus £2.00. The rent policy from 2020/21 onwards is currently unknown,

however, the WG Business Plan guidance recommends no more than CPI (2% for business planning purposes) + 1%.

## **1.8 Welfare Benefit Reforms**

Welfare Reform Act 2012 introduced a number of significant changes to the benefits people receive and how they receive them. The changes include: introduction of a cap on the level of benefits people can receive; the removal of the spare room subsidy; replacement of Disability Living Allowance (DLA) with Personal Independence Payment (PIP) and the introduction of Universal Credit (UC) in October 2018. Currently, 65% of Council tenants receive help towards their housing costs which equates to over £11m in income per year. Estimates from organisations where roll out of Universal Credit has taken place, have identified that around 35% of this income is at risk through direct payment to tenants. This equates to around £4m in the Vale of Glamorgan. Some of the most significant risks are posed by the following changes:

Introduction of the Benefit Cap- this restricts the total amount of benefits an out of work claimant can receive. Initially introduced at £23,000 for couples and lone parents, the cap has been reduced to £20,000 and has applied to people living in the Vale of Glamorgan since November 2016.

The cap has affected 43 Council tenants, some of whom have lost nearly all of their entitlement towards Housing benefit. All tenants have been visited and offered a Money Advice appointment to help review what benefits are claimed, maximise income and to budget accordingly.

Removal of the spare room subsidy- has resulted in tenants with 'extra' bedrooms having their Housing Benefit (HB) reduced by 14% or 25% dependant on the number of extra bedrooms they have. This has affected over 300 tenants and has had a significant impact on their ability to pay their rent. A number of initiatives have helped mitigate the negative impact, including Discretionary Housing Payments (DHP), incentives to downsize, support to swap homes with other tenants and money advice. These measures have helped minimise arrears and ensured that no tenants have been evicted solely as a result of arrears incurred as a result of the removal of the spare room subsidy.

Changes to Welfare Reform regulations announced by the Government at the end of 2017 meant Council tenants under the age of 35 continue to be eligible for Housing Benefit at the current rates of entitlement and plans to cap the level of payments at the shared room rate (SRR) were suspended. This meant younger people continue to receive sufficient HB to cover their rent (so long as they are eligible and occupy appropriately sized accommodation). In addition, removal of the intention to cap HB payments to Council tenants at the Local Housing Allowance (LHA) rate has prevented some tenants accruing arrears due to a shortfall in their HB. It also meant the Council has more flexibility when considering future rent increases.

Universal Credit (UC) - is replacing many existing benefits and provided both in and out of work support for working age claimants. Universal Credit is the biggest change to the benefit system in a generation and will have a huge impact on Council tenants. It started in the Vale in February 2016 but was restricted to new claims from single job seekers but was rolled out to all new claimant types from October 2018.

To date 174 Council tenants have been switched to UC, and there has been a significant impact on them and their ability to pay their rent. The majority of the claimants are in arrears and the average level of debt is £400 as opposed to HB arrears which are £150. Based on this

experience and the findings from research into pilot areas (where UC has been rolled out already), there is a significant threat to the Council's rental income.

The Council has been working hard to support affected tenants through the changes and to adjust its business planning to reflect the impact the changes are likely to have on its rental income. A number of specific initiatives and steps are being taken to manage the risks posed, including:

Expansion of the Money Advice Service- three Money Advisors have now been recruited, increasing the number of tenants we have helped and increasing the range of specialist advice, including income maximisation and debt advice. Over the last 12 months, over 1,306 money advice sessions have taken place and have resulted in an additional £308,673 worth of income for tenants in additional benefits, backdates and grants

Awareness raising- a range of articles, newsletters and leaflets have been used to make tenants aware of the welfare reform changes and impacts. The messages have included the importance of getting online, opening a bank account and household budgeting. This has helped households to understand the changes and prepare in advance.

Multi agency work- a Financial Inclusion Group has been established bringing together partners from a wide range of public and voluntary sector agencies to address emerging themes such as the need to share information, communications and joint working. A multi landlord group is also being set up to include the Registered Social Landlords operating in the Vale to ensure consistency and partnership working.

Tenant profiling- improvements to the information held about tenants, including their personal circumstances, is helping the Council to identify people who are likely to be affected by specific changes and enables us to target advice and assistance towards those who need it most.

Tenancy Ready- this project has been established to provide training, advice and support for new tenants in order to improve tenancy sustainment. A key part of this will involve assessing the financial capability of new tenants and ensuring they are able to pay their rent.

Rooms 4U- this project is run in partnership with a local Registered Social Landlord, involves converting existing properties into shared rooms for people aged under 35, meaning the help they receive towards housing costs are sufficient to cover the rent. A number of properties have already been let on a shared room basis and there are plans to review the future options for the scheme to continue and expand next year..

Community Investment initiatives- a range of community initiatives are supporting people to get into employment which ultimately reduces the reliance on benefits and the impact of welfare reform. Projects, including coordination of training and work experience opportunities, digital inclusion and healthy living initiatives increase tenants' knowledge, skills and confidence levels.

## **2. Tenant Involvement**

### **2.1 Introduction**

Consultation exercises with tenants have clearly shown that the delivery of the Housing Improvement Programme is not just about “bricks and mortar” or upgrading the housing stock it is about ensuring the improvements and upgrades meet the needs of the families using them. It is therefore essential to involve tenants and leaseholders in developing investment programmes to



take their views into account if the project is going to deliver value for money. Failure to effectively engage tenants, leaseholders and residents can lead to such improvement programmes not resolving problems or being over engineered which waste valuable resource.

The Council is committed to consulting its tenants and seeking their views so the stock is well managed, located in safe and attractive environments and meets their specific needs. It is encouraging to experience more and more tenants and leaseholders taking a positive interest in working with the Council in order to both maximise the stock improvement opportunities and influence service delivery. Two Community Investment and Involvement Officers provide an important resource to take forward the objectives in the Community Investment Strategy. Additionally, the tenant liaison team also take a proactive part in the development of specific schemes. This Strategy sets out our approach to community investment highlighting the need to add value to our local communities. The process of identifying the most appropriate improvements in each area; is carried out in partnership with residents and stakeholders. By doing this, we can improve the quality of life for residents and create vibrant, sustainable places where people want to live. The priorities include:



In addition to the Community Investment Strategy, a revised Tenant Engagement Strategy has recently been endorsed by the Council's Cabinet. This is designed to build on the improvements put in place by the previous Strategy using a flexible menu of involvement to engage a broader range of tenants from different backgrounds and demographic groups. This approach has been designed to appeal to a greater number of tenants and be more representative of the broader tenant population. Specifically, there are five key objectives in the Strategy which include:



## **2.2 HIP - Tenants Governance Structure**

The Tenant Governance Structure is provided at Appendix D and outlines the governance structure for various tenants groups operational within the Borough. All of the formal groups report to the Tenant Working Group, which monitors and coordinates the actions of the various satellite groups. The satellite groups are attended by various officers who support and respond to the issues raised through the groups. This enables issues affecting tenants and residents to be addressed by the relevant officer, who is also then monitored by the individual groups on progress.

In addition, four tenants are co-opted onto the Homes and Safer Communities Scrutiny Committee who meet on a monthly basis with Vale Councillors and Officers in the formal scrutiny meetings. A pre-meeting is held between Senior Managers and Tenant Scrutiny members, prior to the Scrutiny Committee meeting taking place where documents are discussed and questions raised. The Co-opted tenants sitting on this group have similar opportunity to members on questioning performance and speaking on reports.

## **2.3 Tenants Quality & Design Forum**

The tenants Quality & Design Forum (QDF) was established to oversee the Housing Improvement Programme and to work in partnership with the Council. The forum has a membership of six tenants who continue to be voted on by the working group members. To date, the QDF are involved in the following:-

- The review of the Residents Access Protocol, which provides a minimum standard to be followed, this protocol covers areas such as Communication, customer care, equality and diversity, behaviour, protection and respect for the home. This protocol applies to all contractors working on repair, maintenance, improvement and refurbishment programmes commissioned by the Council when working on tenant's homes.
- Scrutiny of contractor's performance against this protocol.
- Reviewing and scoring quality submissions from contractors.
- Interviewing contractors during the tender process in association with Council staff.
- Consideration of specification issues for the Housing Improvement Programme.
- Monitoring key performance indicators for gas and electrical servicing.
- Contribute to the Tenant 'Star' Survey and resulting actions.
- Assist with the planning and running of the Annual FestiVale Event.
- Attend site monitoring meetings for investment programme works.
- 

In addition to this, a significant role for the QDF during the Housing Improvement Programme is to review the performance of contractors on an ongoing basis (particularly the monitoring key performance indicators). Contractors on major projects are required to attend the QDF on a quarterly basis to be scrutinised by tenants on their performance. The QDF are also being consulted on opportunities to be involved in contributing to the specification and monitoring quality and progress of the Council's new build programme.

## **2.4 Tenant Working Group**

Along with the QDF, a Tenant's Housing Working Group was established as the main tenant working group, to which all Tenant and Resident Associations and forums feed in to :-

- Main tenant consultation group;
- Chair of the working group must be a tenant and the group includes a Vice Chair and Secretary;
- Group meets approximately eight times per year;
- Working Group approves project funding for other tenant groups.

## 2.5 Sheltered Housing Forum

The Sheltered Housing Forum meetings are held 6 times a year. There are 5 Sheltered Schemes in the Vale of Glamorgan i.e. Llantwit Major, Cowbridge, Barry, Dinas Powys and Penarth. Meeting venues are rotated around each scheme providing at least one meeting per year in each of the locations giving local residents an opportunity to attend at least 1 meeting a year. Transport is also provided for those residents who wish to attend meetings in other schemes, outside of their area.

Officers of the Council are invited to attend Sheltered Housing Forum meetings where issues of concern are discussed with residents e.g. scooter storage, disabled toilets, parking arrangements, pathways, the TeleV call system, street lighting and replacement furniture in lounge areas to name but a few. Regular walkabouts are also conducted and active tenant representatives are encouraged to participate in these so a local perspective can be applied to these walkabouts

Consultation is taking place with residents at Longmeadow Court, Cowbridge, where major internal/externals work are planned for 2019/20.

At Gwenog Court major works have started in this sheltered scheme and will continue into the new financial year. Tenants are regularly met to ensure the works are progressing satisfactorily without causing unnecessary upset and distress. Where issues are identified action is taken to mitigate any concerns.

An Annual Sheltered Housing event is organised for residents to thank them for their continued support and assistance in their Forum meetings.

## 3. Welsh Housing Quality Standard (WHQS) & Improving Homes

### 3.1 Maintaining the WHQS and Capital Programme

At 31<sup>st</sup> March 2018, the Council achieved WHQS for all its dwellings. The Council has since entered into the maintenance

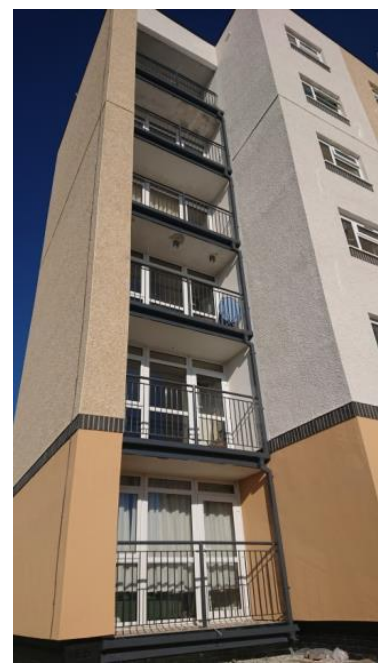
phase of WHQS compliance.

The tables below show the number of fully compliant

properties and 'acceptable fail' properties as of December 2018.

AF Reason	Number
Cost of Remedy	6
Physical Constraint	315
Residents Choice	406
Timing of Remedy	6

Acceptable Fail (AF)	Fully Compliant	Grand Total
733	3131	3864



The business plan incorporates the most recent investment requirements as identified by our Housing Asset Management System (Keystone) which includes historic stock condition survey data from Savills and our own survey team in their Stock Condition Survey (SCS). Prior to delivery all works will be validated to ensure they are required as identified from the Keystone reports and will be scoped to ensure they capture all necessary elements. Where the validation survey identifies the works can be delayed, this will be considered to enable smoothing of the investment programme and ensure money is effectively targeted to meet the maintenance needs of the housing stock.

Preliminary costs are included in the projected investment calculations and professional fees of 8% have been added. Further capital costs have been included for Preliminary works including items required to deliver any particular contract, such as management costs, security, site set up costs, insurances, quality control, and temporary works if applicable.

### 3.2 Maintaining the Welsh Housing Quality Standard (WHQS)

At 31<sup>st</sup> March 2018, the Council attained the WHQS to all its housing stock and from this date has entered the maintenance phase of this standard. With many of the attributes contained within the standard having time limitations on them, it is recognised the Council's investment programme will have to continue to invest in WHQS works to ensure the standard is maintained. The following chart provides a summary of the number of kitchens, bathroom and boilers etc. which have been delivered over the 5/6 year period leading to the completion of the WHQS refurbishment programme:-



Component	Forecast No.	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total completed
<b>Kitchens</b>	<b>3,512</b>	716	1,393	1,122	181	85	66	<b>3563</b>
<b>Bathrooms</b>	<b>3,302</b>	675	1,341	1,058	180	38	90	<b>3382</b>
<b>Heating/Boilers</b>	<b>812</b>	112	285	328	63	14	45	<b>847</b>
<b>Rewiring*</b>	<b>3,494</b>	571	1,480	1,176	196	61	86	<b>3570</b>
<b>Roofs</b>	<b>1,062</b>	124	0	0	389	499	588	<b>1600</b>

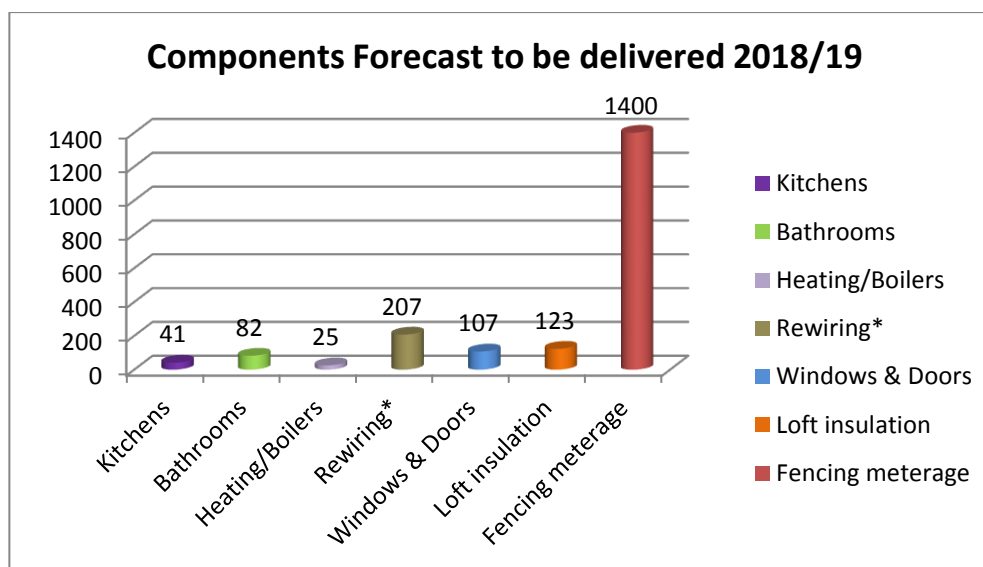
\*Figures for completed works include partial and complete re-wires

The Council has closely monitored and apportion/record the cost for undertaking the works to ensure that the actual costs incurred are within budget and that a robust contingency sum is in place to deliver the Housing Improvement Programme. The following chart provides the main component budget cost and anticipated lifetimes as extracted from the original stock condition report:

Component	Budget (£)	Component Lifespan (years)
Kitchens	4,162	15
Bathrooms	2,585	25
Heating Boilers	3,210	12
Heating (Distribution)	Included Above	30
Rewiring	2,480	25
Roof Covering (synthetic slate)	10,800	35

During the first year of the WHQS maintenance phase (2018/19) the Housing Capital Project Team has validation surveyed circa 20,000 components identified on the Housing Asset Management system (Keystone) in order to forecast the next 5 years replacements along with estimated costs.

During 2018/19 and 2019/20 the following major WHQS maintenance works are forecast to be completed and are shown in the table below:



Component	2018/19	2019/20
Kitchens	41	70
Bathrooms	82	53
Heating/Boilers	25	0
Rewiring*	207	110
Roofs	266	380
Windows & Doors	107	375
Loft insulation	123	40
Fencing & Wall (LM)	1400lm	700lm

<b>External Walls</b>		160
<b>Paths &amp; Steps</b>		120

There are a number of major improvement schemes ongoing during 2018/19 & planned for 19/20 and these include:



- **Internal communal areas** are scheduled for improvement work and decorations to the stairwells. The scheme is programmed to be completed 2019/20.
- **Communal area fire door replacement Scheme** – The Council identified in 2016 that there was a need to undertake a programme of upgrades to communal area fire doors (including flat front doors) and to date has upgraded all fire doors with blocks of 3 storey's and above within our stock and have commenced replacement to blocks of 2 storey and will continue to deliver these upgrades during 2019/20.
- **Hawksley Bungalows, Barry (prefabricated properties)** – the Council has 17 Hawksley bungalows which need to be replaced in a brick finish to match other bungalows in the area and give the properties a solid appearance. The Council has completed 14 properties to date and the remaining 3 properties will be completed by April 2019.
- **Buttrills Estate Environmental Refurbishment Project** A major refurbishment of the Buttrills Estate has commenced including new roof covering, replacement of cavity wall ties, new windows and doors to Awbrey House and installation of External Wall Insulation to 128 properties including flats, houses and bungalows. The project is being run over 4 phases with Phase 1(New roof covering) and Phase 2(External Wall Insulation) completed. Phase 3 (Internal communal upgrades) and Phase 4 External communal upgrades) due to start 2019/20. The project commenced July 2017 and is programmed for completion April 2020.
- **Gibbonsdown External Refurbishment Project** – A major refurbishment project been procured to undertake roofing works, cavity wall tie replacement and the installation of External Wall insulation. The project commenced July 2018 and is programmed to complete by March 2019.
- **Garage Compounds** – Work has commenced on a programme of works to undertake demolition and improvement of a number of garage compounds where the existing garages have come to the end of their economic life and will continue to be delivered through 2019/20.
- **WHQS Compliance Programme** – Data collection and evaluation of existing housing stock data has begun with the aim of developing a programme of works to fully support the continued requirement to meet the WHQS standards. This will involve the commencement of a number of major refurbishment projects covering all aspects of stock upgrade and maintenance. It is currently planned for these major projects to continue to be delivered during 2018/19 & 2019/20, year on year thereafter;
- **Remodelling of Assets** – A number of remodelling projects will be taking place to a select number of properties to bring up to required standards whilst taking the opportunity to incorporate local demand needs etc.
- **Airey properties** – There will be 4 Aireys (type 1) properties that will be designed and refurbished to current standards. This will be delivered during 2019/20.
- **External refurbishment of Long Meadow Sheltered Housing Scheme** – This scheme will involve the replacing cavity wall ties, repairing defective render and installing a

replacement roof and installing external wall insulation. In addition there will be a new renewable energy solution communal heating and hot water installation installed.

- **Section 20 projects** – There will be two schemes delivered during 19/20 containing external refurbishment works affecting leaseholders. The first being for 27 blocks and the second for 10 blocks.
- **Fairoaks environmental refurbishment Scheme** – This scheme will commence consultation with the residents of the area to address pathway, parking and road issues within this area during 2019/20.

Funding has been identified in the plan for the next five years and work on garage sites and a garage strategy will be developed to complement the Environmental Strategy.

Some garages have come to the end of their economic life and the strategy and plan will identify a way forward for sites which in some cases will mean the sites will be cleared and the highway re-instated to provide a better solution for local communities.

The Housing Service also has responsibility for housing owned highways and footways and the Highways team have been commissioned to undertake condition surveys and “what if scenario plans/ report” to enable a sensible way forward to be determined.

In the past, planned repairs have not been systematically undertaken to these associated assets and five years of funding have been identified to determine and deliver a future programme.

Environmental and Estate Improvements have been secured in the plan at £11.8m over the next five years. The Housing Services two Community investment officers will deliver the Environmental Strategy and Action Plan working in consultation with local communities. The Environmental Improvement Programme scope has been increased with the additional funding for garages and highway improvements

Fuel Poverty is a major problem for our customers and with key internal improvements installed energy improvement measures will be considered as part of the external Programme. External wall insulation will be installed where necessary and the Council is considering options for external funding to deliver further improvements.

Significant problems with many of our older homes present a major challenge to the Housing Improvement Team. The seaside location of many of our homes has resulted in concrete and render which has deteriorated/ failed leaving significant structural problems that will need to be remedied. Some housing has experienced cavity wall tie failure which will need to be repaired.

Damp is a problem for too many of our customers and we have identified on occasion that previous improvements, such as cavity fill insulation, has led to the moisture/ damp bridging of the cavity. In these cases the cavities have to be cleared to allow the cavity and walls to dry and to prevent further damage to the structure and tenants belongings.

Where these problems are encountered or where roofing / external wall fails the dwelling will be added to the work programme. A further area of work which historically has been under resourced is external painting which forms part of cyclical maintenance. Funding has been secured in the plan for external painting of our homes and painting of communal areas of blocks of flats. This will be phased in to complement existing programmes and to make use of existing scaffolding access and undertaking decoration in block communal areas following improvement work.

The proposed investment programme is set out at appendix E.

### 3.3 Stock Condition & Validation Surveys

In the first instance the Development and Investment Team conducts stock condition surveys (20% of the stock) on an annual basis to ensure that the housing asset information is as accurate as reasonably practicable for report forecasting on-going business components replacement costs over a thirty year period.

All programmed works will receive a validation survey to ensure the works are required as identified through the Keystone investment reports before any further work is undertaken. Should the attribute be found to have further remaining life, officers of the Council will discuss the option to continue with the project or to amend the stock database with a new life expiry date. This will enable the Council to control its Investment programme giving opportunity to react to new emerging investment need or premature failure of attributes in other areas.

On completion of the validation survey the work will be fully surveyed and scoped to ensure all works are included to maximise the investment opportunity. For example, this may mean chimneys are removed or replaced during replacement roofing works to reduce ongoing maintenance and enable maximum benefit to be obtained from the erection of a scaffold which will reduce the need to erect another scaffold later. This approach will accelerate some areas of investment but will provide expenditure efficiencies over the life of this plan.

### 3.4 Environmental Improvements

The Council wants its estates to be safe and attractive places where people are proud to live and have the following vision:-

“All residents in the Vale of Glamorgan have access to good quality, suitable housing and are able to live happily and independently in vibrant, sustainable communities.”



Recognition of the need for additional resources has resulted in two Community investment officers' posts within the Housing Service and the preparation of an Environment & Neighbourhood Strategy and Action Plan.

This Strategy continues to set out our approach to foster cohesive, attractive and thriving neighbourhoods where people want to live. One size doesn't fit all; every community is different, so our approach will reflect this via unique estate action plans.



The quality of the immediate environment has a big impact on quality of life and well-being for local residents. This includes the physical environment, cleanliness of our streets, green spaces and communal areas. For this reason the Council commits to investing in the local environment of our estates; under



certain conditions this may include the redesign or reconfiguration of estates, improvements to communal areas or making better use of open spaces.

As well as the physical environment, the social infrastructure is very important as this is the sense of community, feeling safe and the ability to access services and amenities. The investment priorities in the Environmental & Neighbourhoods Strategy are closely aligned to the Community Investment Strategy to ensure the maximum benefits are achieved within available resources for our most challenging areas.

Research has shown the impact of the physical environment on residents' quality of life. The Welsh Government's Vibrant and Viable Places Strategy; highlighted the benefits which are achieved by investing in people and places by creating well connected, vibrant, viable and sustainable communities. This Strategy plays a pivotal role in the regeneration and improvement of areas to address individual issues within the local environment and neighbourhoods.



The Council's Corporate Plan 2016-2020 identifies the high priority given to the environment in two of its key Well-being outcomes, namely: 'an inclusive and safe Vale' and secondly, 'an environmentally responsible and prosperous Vale'. There are also a number of key objectives which support the well-being outcomes, including: reducing poverty and social exclusion, providing decent homes and safe communities, promoting regeneration, economic growth and employment, promoting sustainable development and protecting our environment.

The Welsh Housing Quality Standard (WHQS) sets out the minimum standards for social landlords in Wales regarding the environment. The guidance provides;

- "All dwellings should be located in an environment to which residents can relate and in which they can be proud to live"

As part of the Vale of Glamorgan Council's Strategy for improvement to social housing standards, the Council has set down its own vision based on WHQS:

- "Safe, clean and attractive places where individuals and communities have sustainable opportunities to improve their health, learning and skills, prosperity and well-being; and
- Where there is a strong sense of community in which local groups and individuals have the capacity and incentive to make an effective contribution to the future sustainability of the area"

Landlords have adopted different approaches; some have regarded the environment as a priority and set aside large sums of money for investment, whilst others have focussed more on the internal improvements to tenant's homes giving less regard to the local environment.

This strategy recognises the Tenant Participation Advisory Service (TPAS) Cymru Guidance on “Interpretation of the WHQS Environmental Standard” as good practice when considering Environmental improvements.

The Housing Business Plan sets out the Council’s significant commitment to funding improvements in the Environment.

- Over £11.8million is set aside for Environmental and Estate Improvement works over the next five years;
- Revenue commitments have been made to fund two Community Investment and Involvement Officers;
- Participatory budgets of £10,000 pa for smaller, resident led schemes in each of the 4 neighbourhood management areas (total of £40,000) plus an additional £20,000 allocated to the 2 Senior Neighbourhood Managers to fund additional improvement projects.
- An allowance of £50,000 per annum of the plan to improve the safety of estates through community safety initiatives such as fencing, street lighting or landscaping. The fund will pay for individual projects up to £5,000 where resident groups through tenant panels will bid annually for funding. Again, this will be progressed via the Environmental Improvement working group.
- Allocated funds to the sum of £20,000 per annum which is provided through the revenue account to tackle small scale projects that benefit the community. Each group can submit a bid of up to £2,000 (unless match funding can be achieved) in any one year. The bids are assessed and approved by the Tenants Panel and are small scale one off projects which bring value to the local environment.

It is the intention to continue with this funding for a number of years in order to build the capacity of local communities and increase empowerment to take the lead in their own areas.



### 3.5 Keystone Housing Asset Management System

The Council has invested significant resources in establishing an asset management database populated with 100% of the housing stock condition surveys and this knowledge of the housing stock has been used to shape the Housing Improvement Programme and the future annual life time renewal programmes to ensure our stock remains WHQS compliant.

The Keystone system was set up and implemented in June 2011 to provide a much better knowledge of the housing stock and more effective housing asset management. The system can provide:

- Investment planning.
- WHQS returns.
- “What if” scenario planning.
- Asbestos register.
- Contractor & planned programme management.
- Energy management.
- Accessible Home Register.
- Servicing information.

The system is instrumental in the Council managing its homes effectively and great strides are continuing to be made over the last year in improving data entry so improvement work is captured on the system and the Business Plan is now produced using the system.

The following improvements have been made over the last year:

- Servicing information has been vastly improved with Gas, Electrical, Solid Fuel, Oil and Adaptations Equipment servicing being run through Keystone. Other compliance servicing data, such as Lift Servicing, is now also recorded and held within Keystone.
- Adaptations completed works are now recorded on Keystone allowing us to accurately monitor adapted stock.
- WHQS Compliance Reporting – further work has been undertaken to improve the accuracy and validity of data, allowing us to report directly from Keystone.
- Energy efficiency & SAP scores – all property energy records have been through a process of assessment and analysis to ensure correct data is held and energy assessments have been recalculated to show accurate SAP scores.
- In order to meet the demands of the service additional staff have been recruited to help ensure Keystone information is updated in a timely manner to ensure reporting is accurate.
- Training has been delivered to the Corporate Health, Safety and Wellbeing and Tenant Liaison Teams to expand their knowledge in how to access information that is readily available within Keystone.

Going forward, our aim is to ensure that everyone in Housing and Building Services uses Keystone to its maximum potential.

The system has functionality the Council is keen to capture and Housing and Building Services are committed to further improvements in smarter working in the future e.g. introduction of the compliance dashboard & contractor access portal.

### **3.7 Minimising & Recording “Acceptable Fails”**

The Council recognises the need to monitor compliance with WHQS and has produced a policy on the interpretation and application of the WHQS by the Council, which includes; how ‘Acceptable Fails’ will be addressed by the Council, the resources available for maintaining the WHQS standard, how the data is managed and recorded and the validation process to ensure the data is reliable and robust. Acceptable fails can be one or more of the following:-

- Cost of remedy.
- Timing of remedy.
- Residents’ choice.
- Physical constraint.

All “Acceptable Fails”, are recorded on the Council’s Keystone Asset Management System and are addressed, where practicable, at the void stage before new tenants commence their new tenancy.

### **3.8 Leaseholders (Service Charges)**

The Council has an obligation to all of its leaseholders to maintain the buildings in which their properties are located. In proceeding with the Housing Improvement Programme to meet the WHQS, leaseholders are responsible for a proportion of costs of the improvement works (to the external fabric of building).

There is a need for consultation as there are legal steps that need to be followed in order to ensure the costs of works are able to be recouped by the Council. The process for consultation has commenced and all leaseholders across the Vale (301 in total) have been issued the required notices i.e. Stage 1 and 2 of the Service Charges (Consultation Requirements) (Wales) Regulations 2004. The external works programme has now commenced and leaseholders have been issued, in accord with the relevant legislation, notices and estimates of work identified and the proportion of costs that they will be liable for.

It is important all capital and revenue works to leasehold properties are recoverable from the leaseholder, it is therefore critical a robust procedure is in place to maximise recovery. The Council understands that the considerable investment in the repair and maintenance of our properties will lead to some tenants having to contribute, in some cases, significant sums of money. We are assisting leaseholders in meeting their responsibilities and have agreed a range of repayment options to provide flexibility based on their financial capacity. This includes the ability to repay large amounts in instalments when the leaseholder has been assessed as having no other means of paying their total charges in full. We also provide advice and support through our Money Advice Service and if necessary engage specialist Financial Advisors for the most complex cases.

Over the course of the last financial year, around £500,000 worth of repairs and major works has been billed to leaseholders and £150,000 has been paid to date. The remaining payments will be recovered via direct payments for the full amounts, statutory loans and repayment agreements. For a small number of leaseholders, typically older tenants who are asset rich, cash poor, the Council will take charges on the property to ensure that outstanding sums are repaid when the property is transferred or the occupier passes away. The sums recovered will support the spending identified in the business plan.

The Council has employed a Leasehold Officer to coordinate the increased activity surrounding leaseholder management. We also seek to engage with groups of Leaseholders on an area by area basis to share views, to consult and engage and to develop an effective vehicle to improve services to leaseholders.

A leaseholder Action Plan has been developed to improve the following areas of activity;

- To raise the profile of the leasehold service
- To develop process and administration for section 20 consultation
- To improve the facilitation and coordination of Leaseholder communications
- To review and update the Leaseholder Policy and Procedure
- To provide on line information and guidance for leaseholders
- To expand / clarify payment recovery options

### 3.9 Community Benefits

In accordance with the Welsh Governments guidance on maximising the benefits returned from investment, the Vale of Glamorgan Council require all contractors working on major projects to include community benefits as part of the delivery of the works programme. In general, this requirement is placed on all major projects and is mandatory for all projects over £1 million.

Contractors have responded positively to the requirements of the Community benefit requirement and a range of schemes have been delivered through the Council's WHQS programme and other major projects. The benefits delivered have ranged from training placements and apprentices to physical improvements such as a wildlife pond for a local school.

The Council use the Government's Community Benefit Measurement tool to record the Community benefits being delivered and report these at frequent intervals, when community benefits have been delivered through individual projects.

A summary of the Community benefits already delivered through the programme is provided below:

Benefit Measure	Value
In kind donations of labour, goods & Services	£43,111
Investment in the Welsh and UK economy	£53,708,306
Contribution to SMEs based in Wales	£11,061,726
Short-term unemployed reduction	16
Disadvantaged workers employed	6
Apprenticeships	24
Traineeships	5
Work experience or internships	12
Graduate placements	26

### 3.10 Development programme

Following the changes to the subsidy system during 2015, the Council embraced the opportunity to commence a new development programme to provide additional Council housing.

The Council is now in the early years of the development programme and is concentrating on the development of homes for those on the accessible homes register who would otherwise find it difficult to secure suitably adapted accommodation.

The Council's first new affordable homes at Cook Road, Barry, three adapted bungalows, were completed in September 2017.

The Council's Local Housing Market Assessment, conducted in 2017, identified a chronic shortage of affordable housing and a need for an additional 576 units per annum between the years 2017 to 2022.



During 2018/19, the Council embarked on an ambitious development programme, which has seen a further 39 commencing across two sites; Holm View, Skomer Road and the site of a former sheltered housing complex at Brecon Court, both in Barry.



During the same year, the Council was successful in attracting £2.55 million of Affordable Housing Grant from Welsh Government, which support the delivery of the development schemes at Holm View and Brecon Court, which will be ready for occupation later in 2019/20.

Furthermore, the Council awarded development contracts totalling £5.84 million, dedicating £30,000 to support local Community Benefit Projects to be delivered in the Gibbonsdown and Colcot areas of Barry. The projects supported include an Employability Boot Camp and Fair for local people and an environmental improvement scheme at 'Treetops' in the centre on Barry, in partnership with our contractors Jehu Project Services Ltd and Pendragon Design & Build Ltd.

Mae Cyngor Bro Morgannwg yn gweithio mewn partneriaeth gyda chwmmi Cynllunio ac Adeiladu Pendragon, i adeiladu pedwar byngalo a saith ty  
 The Vale of Glamorgan Council working in partnership with Pendragon Design and Build to construct four bungalows and seven houses

Additionally, the equivalent of over 143 weeks paid and unpaid work experience and 3 apprenticeships will be supported.

Building on the successes of 2018, in 2019/20 the Council will adopt its first Housing Development Strategy, with accompanying Development Policy and Development Procedures to underpin its five year development programme, ensuring there is a strategic direction and robust project management principles in place.

To support this ambitious development programme, the Council is seeking to complete the purchase of sites at Winston Road and Hayeswood Road, Barry by the end of March 2019, to facilitate the delivery of a further 40 new affordable homes which will provide general needs homes, those with specific physical needs and the elderly.

Over the next five years, the Council has plans to deliver a further 218 new affordable homes across the Vale of Glamorgan, on sites from Penarth to Llantwit Major, proposing to invest over £31 million in providing general needs homes as well as adapted and elderly accommodation.

## 4. Improving Housing Services

### 4.1 Housing Service Principles and Performance

The Council:-

- Currently manages 3,838 tenant homes and 301 leaseholders.
- Lets around 250 homes to new tenants each year.

- Manages the homeless hostel.
- Operates a single allocation process with all the Social Housing providers in the Vale.
- Collects £19m in rent each year.
- Is committed to maintaining the Welsh Housing Quality Standard from 31<sup>st</sup> March 2018.

The housing service operates within the following core principles in carrying out its responsibilities, these being:-

- Place the people who want to use its services at the heart of its work - putting the Citizen First.
- Conduct its affairs with honesty and integrity and demonstrate accountability.
- Make sure its purpose is clear and achieves what it sets out to do - knowing who does what and why.
- Engage with others to enhance and maximise outcomes for service users and the community.
- Build and renovate homes to a good quality standard (and to WHQS).
- Let homes in a fair, transparent and effective way.
- Manage homes effectively.
- Repair and maintain homes in an efficient, timely and cost effective way.
- Provide fair and efficient services for owners.

The service reviews and monitors the extent to which its service meets standards. In consultation with tenants, these are currently under review to improve their relevance to customers. Further information is included in the following sections of this report.

## 4.2 Repairs

During 2017/18, the Council completed approximately 11,076 day-to-day repair jobs and completed repairs/safety checks to 281 void properties. In delivery of these services, the Council spent approximately £2,384k.

Repair requests are made via the Council's Contact Centre (Contact One Vale) which prioritises these into three categories depending on the nature of the repair. The following table shows the categories of repair, the target response time and the numbers completed in 2017/18. Repairs to void properties are not included in the table.

Category	Description	Target Response Time	Number Completed	Days Taken	Average Days
Emergency	Imminent risk to health and safety. Risk of serious damage to property.	Same Day	2,731	483	0.18
Urgent	Serious impact on tenants comfort or convenience.	Within 5 Days	3,528	11,022	3.12
Routine	Non urgent	Within 42 days	4,817	78,039	16.2

Gas safety within the Council's property is of great importance and Housing and Building Services aim to achieve 100% of all properties having a valid gas safety certificate within the anniversary date. Building on the previous performance success for 2016/17 and 2017/18, closer communication and improved procedures have improved this performance with all properties having a valid CP12 and only a handful taking longer than the 12 months to achieve because of access issues.

Electrical safety also plays an important part of the landlord's responsibilities and following the delivery of the internal works for WHQS and 80% of all properties have received a new periodic inspection through this framework. Following completion of the major investment programme for WHQS, the Council have now appointed two contractors to continue the ongoing programme of periodic inspection and electrical upgrade work. This programme of work has seen a rolling 5 year programme of electrical testing implemented to ensure all properties are electrically tested in line with EIC guidelines and any remedial works are quickly addressed through an installation and repairs contractor.

### **4.3 Continuous Improvement**

The Council has introduced improved ways of working with regard to its repairs service as follows:-

- The Council's contact centre take repair requests and are now using a repair diagnostic tool to improve the accuracy of repair reporting and reduce the number of job inspections required.
- Services are delivered through mobile technology where staff are issued with repair jobs electronically. This has increased efficiency via improved productivity and a reduction in non-productive time.
- An appointment system has been introduced for urgent and responsive repair jobs.
- A GPS (global positioning system) is embedded within the mobile technology and provides real-time monitoring and control of the deployment of resources ensuring efficient planning and scheduling of repair jobs.
- A text messaging tenant satisfaction survey has been introduced which enables the service to receive feedback on responsive repairs as soon as the job has been completed. This service provides useful feedback on how the service is delivered and the quality of work on completion. The data captured through this facility helps the service to improve from the lessons learnt.

The Contractor module of the repairs system is now outdated and unlikely to be supported by the supplier in the near future. Consequently, work commenced on the identification of a new Repairs Contractor Module. The improved functionality of such a repairs system will see further improvements to the service and provide improved customer access through a web-based portal. During the review of potential systems a decision was taken to review the whole Housing Software and it is clear significant benefits are available to all aspects of the Housing Service by upgrading the current software system. A working group has now been established to review the software system and deliver improved customer access to the service.

### **4.4 Helping People Live Independently**



Being able to access all the key facilities in our homes is something that we often take for granted, but for someone who cannot do this, the affect can be devastating. Housing adaptations are vital in enabling a person to remain independently and safely in their own home and can transform a person's quality of life. Some people may need something as simple and easy to provide as a handrail. Others could need something much larger or complex like a stair lift or wet room.

The Council has continued to transform its approach to assisting people to live independently having an established, dedicated Council Housing Adaptations Team which initially ran alongside the works carried out under the WHQS works programme.

This approach has delivered over 771 (79%) sheltered or over 55 age designated homes with wet room or step in shower facilities which better meet the needs of customers. The aim continues to be to proactively install these necessary facilities and minimise need for expensive adaptations.

Keystone is now utilised to record the delivery and servicing of all adaptations and now report on adapted housing stock figures, the Council Housing Adaptations Team have also carried out a data cleanse of existing stock to ensure that Keystone accurately reflects the adaptation status of each property. As of January 2019, our adapted stock is as follows:

	<b>Number</b>	<b>% of Total Stock (3838)</b>
Partially Adapted	1263	33%
Lifetime Homes	3	0.8%
Accessible Home (Fully Wheelchair accessible)	7	0.19%

The Council's Housing Adaptations Team is now a standalone service further promoting independent living for our tenants and allowing them to stay in their own home whenever possible.

A stringent process led approach allows us to track our budget accurately throughout the financial year and forecast where spending may be high and allow us to plan in works knowing that we can meet all approved adaptations requests.

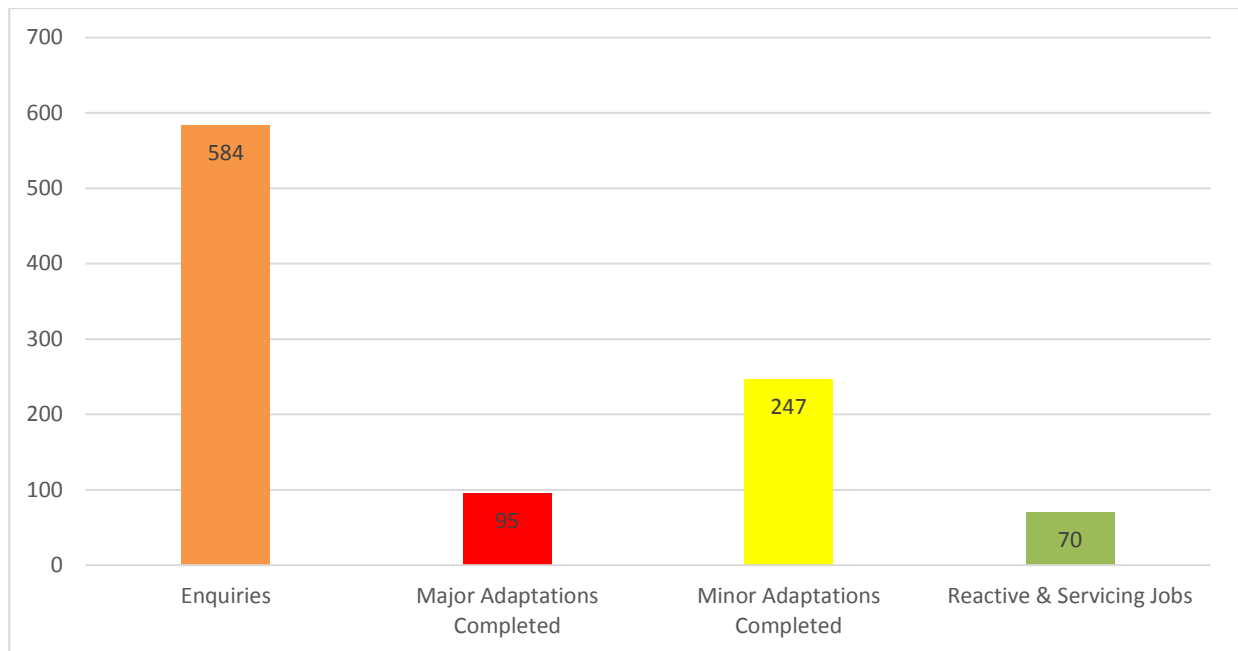
#### **Adaptations Financial investment to date (April 2018 to January 2019):**

	<b>Forecasted Spend to date</b>	<b>Actual Spend to date</b>
Majors	£508,547.20	£249,541.98
Minors	£71,584.65	£49,696.79
Reactive	£17,380.86	£15,463.86
<b>Grand Total</b>	<b>£597,512.71</b>	<b>£314,702.63</b>

We liaise closely with both internal and external agencies, keeping the service completely tenant focused whilst managing realistic expectations and providing adaptations that meet both medical need and improve day to day life.

We aim to respond to all initial queries within 5 working days; the tenant is updated accordingly throughout the process and has resulted in us providing adaptations as detailed in the table/figures below.

### Adaptations Delivery to date (April 2018 to January 2019)



	April 2017 to January 2018	April 2018 to January 2019	Difference
Enquiries - <i>Requests for adaptations/enquiries about the service</i>	455	584	+129
Major Adaptations Completed - <i>Adaptations with a value greater than £1000 or of a complex nature</i>	96	95	-1
Minor Adaptations Completed - <i>Adaptations with a value less than £1000</i>	228	247	+19
Reactive - <i>Repairs, removals and emergencies relating to already fitted adaptations</i>	22	70	+48

### Breakdown of Adaptations Delivered (April 2018 to January 2019)

Major Adaptations	Number Delivered
Automatic Door Opener	9
Bathroom Remodel	3
Door Modification	4
Fencing	2
Hoisting	9
Modular Ramping	1
Pathway	2
Ramp - Concrete	9
Ramp - Modular	5
Ramping	1
Room Conversion	1

<b>Major Adaptations</b>	<b>Number Delivered</b>
Stairlift	21
Steps	1
Through Floor Lift	1
Wash/dry toilet	2
Wet Room - level	19
Wet Room - tray	17
<b>Grand Total</b>	<b>107</b>

<b>Minor Adaptations</b>	<b>Number Delivered</b>
Anti-scald valve	1
Bio-bidet	1
Door Entry System	1
Door modification	2
Drop-down Rail	2
Galvanised Rails	35
Grab Rails	68
Indoor ceiling light	1
Install Radiator	1
Intercom system	1
Internal door modification	2
Key safe	2
Kitchen modification	1
Labour	4
Lever taps	1
Light Switches	2
Minor electrical works	1
Modular Ramp Kit	3
Mop-stick Handrails	19
Multiple items	59
Newel Post Rail	2
Replace bath	1
Re-position sink	1
Security Lights	2
Shower seat	3
Small Concrete Works	19
Storage of Goods	1
Tele-V install	1
Toilet Plinth	3
Under ramp works	1
VCAS pendant	2
Window restrictor	1
Window Winder	1
<b>Grand Total</b>	<b>245</b>

**Average Timescales for delivery:**

	<b>2017/18</b>	<b>2018/19</b>	<b>Difference</b>
<b>Major Adaptations</b>	105 working days	82 working days	-23 working days

<b>Minor Adaptations</b>	18 working days	15.5 working days	-2.5 working days
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Average Timescales have decreased by 23 working days for Major Adaptations compared for 2017/18 and by 2.5 working days for Minor Adaptations.

80% of Minor Adaptations have been completed on time in 2018/19, which is an increase compared to 77% completed on time in 2017/18.

### **Tenant Satisfaction results to date (April 2017 to January 2018)**

Every tenant is contacted to review the service and delivery of their adaptation by completing a Tenant Satisfaction Survey. This approach has allowed us to gain accurate feedback from tenants, identifying where the service is performing well and where improvements can be made.

<b>Average for Cleanliness</b>	<b>Average for Communication</b>	<b>Average for Process</b>	<b>Average for Quality</b>	<b>Average for Service</b>
<b>9.54</b>	<b>9.59</b>	<b>9.65</b>	<b>9.74</b>	<b>9.79</b>

In 2019/20 we will continue to face challenges in the delivery of disabled adaptations as a result of the introduction of “ENABLE – Support for Independent Living”, which is an enhanced system for delivering adaptations being introduced by the Welsh Government.

The enhanced system is underpinned by key principles to simplify and speed up the process for getting an adaptation, with an emphasis on the individual who needs help and their family. It has been designed to provide help for more people and who delivers the adaptation or who pays for it is secondary to ensuring people get the help when they need it.

The Welsh Assembly Government are currently consulting with service providers regarding categorisation of adaptations, target timescales and delivery of adaptations. All providers continue to be monitored on their delivery and customer experiences. This will be used to evaluate the system and will inform any further developments.

### **Adaptations Servicing**

There are currently 167 pieces of equipment in the service programme and all equipment is currently 100% compliant.

## **4.5 Improving Services for the Future**

National guidance requires all social landlords to actively encourage tenant engagement in order to ensure continuous improvement of landlord services.

A new Tenant Engagement Strategy was approved by Cabinet in 2017 and sets out our approach to giving tenants a greater say in the services delivered by the Council. This document develops the themes identified in the previous strategy (2012-15) and is designed to promote higher levels of engagement, involving tenants from different demographic groups who may not have taken part previously.

Our vision is to:

“Improve the tenants’ voice by increasing the range of tenant engagement and involving a broad range of tenants from different backgrounds”

This is supported by four key objectives, namely: making tenant engagement an integral part of Council business; providing opportunities for all tenants to be engaged and broadening current levels of engagement; building capacity of tenants to make a difference via support and training and lastly, using feedback from a wide range of tenants to drive improvements in services.

An operational delivery plan sets out all of the actions which will deliver the objectives and progress is reported to Scrutiny Committee on a regular basis.

The Vale of Glamorgan's Housing and Building Services teams aspire to be one of the top performing Landlords in Wales and during 2016 undertook a Survey of Tenants and Residents (STAR) regarding key services.

A postal survey of all Council tenants was undertaken and for those who didn't respond initially, a second survey was posted out two weeks later; this helped ensure a very high response rate, with over 1,600 completed surveys being returned.

Seven core questions were used within the survey; these are overarching questions about the key parts of the service i.e. overall service, condition of home, rent as value for money etc. The results for the landlord service in the Vale of Glamorgan were positive when compared to others and highest in respect of neighbourhood as a place to live and rent as value for money. The table below sets out how we compare with others:

	Vale of Glamorgan	Upper Quartile %	Medium %	Lower Quartile %
Services Provided by the Landlord	81%	89%	80%	81%
Quality of Home	83%	86%	84%	80%
Neighbourhood and a Place to Live	88%	89%	86%	81%
Value for Money of Rent	85%	85%	81%	77%
Value for Money of Service Charge	77%	76%	71%	63%
Repairs and Maintenance Service	75%	83%	80%	73%
Listens to Views and Act Upon Them	68%	74%	69%	63%

Key	Upper Quartile	Above Median	Below Median	Lower Quartile
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Housing and Building Services also subscribe to 'Housemark' and 'APSE', to enable continuous benchmarking of the services provided against others in the industry. Benchmarking through these providers enables benchmarking against a range of other services providers who are delivering services with similar; geographical layouts, sized organisation, demographics, etc.

Such benchmarking clubs enables the Vale of Glamorgan Council to ensure good, value for money services are being provided.

## 5. Financial Modelling & Resources

In order to produce this Business Plan, we have undertaken an update of the financial analysis and re-assessed the options for:-

- The maintenance of Welsh Housing Quality Standard (WHQS)
- Regeneration and new build possibilities
- Maintaining a viable Housing Revenue Account (HRA) over 30 years

As at 30th January 2019, the Council's Standard Stock stood at 3,838 as shown in the table below. There are also 23 Temporary Accommodation properties and 2 Homeless Hostels. It has been assumed the stock at the 1st April 2019 will remain unchanged.

Type	No. of Bedrooms	Total Properties
<b>General Needs Stock</b>		
House / Bungalow	1	1
House / Bungalow	2	337
House / Bungalow	3	1,589
House / Bungalow	4	82
House / Bungalow	5	5
Bedsit	0	12
Flat	1	257
Flat	2	491
Flat	3	91
<b>Total General Needs</b>		<b>2,865</b>
<b>Sheltered Stock</b>		
Bungalow	1	44
Bungalow	2	41
Bedsit	0	27
Sheltered Flat	1	194
Sheltered Flat	2	23
<b>Total Sheltered</b>		<b>329</b>
<b>Total OAP Designated</b>		
OAP Bedsit	0	25
OAP Flat	1	300
OAP Flat	2+	24
OAP House / Bungalow	1	255
OAP House / Bungalow	2	40
<b>Total OAP Designated</b>		<b>644</b>
<b>Total</b>		<b>3,838</b>

## 5.1 Financial Model and Assumptions

A financial analysis has been carried out on the Council's ability to achieve the level of investment required whilst maintaining a viable Housing Revenue Account. Consideration has been given to the potential impact of changes in legislation and particularly Welfare Reforms. Assumptions used in the financial modelling are shown in full at Appendix F for information. The following provides a summary of the main assumptions:-

- Inflation has been included at a level of 2.0% (based on WG guidance).
- Standard Stock Level at 1st April 2019 – 3,838 dwellings.
- Minimum level of balances to be maintained of £873,000 (real terms).
- Repairs and Maintenance expenditure of £1,053 per unit in 2019/20, increasing with inflation in future years.
- Other Revenue running costs based on the 2019/20 budget.
- Gross average rents are £96.88 in 2019/20 calculated on a 52 week basis. The level of rent increase is set by WG via their Policy for Social Housing Rents. The policy for 2019/20 is a transitional year and limits the rent increase to CPI (for rent purposes, based on Sept 18 CPI of 2.4%). However, where a social landlord's average rent drops below the average rent band, an additional up to £2 per week can be applied. After 2019/20 rents have been assumed to increase by CPI plus 1% as per Welsh Government Business Plan guidance.
- No income has been assumed from Right to Buy sales. Right to Buy has been abolished from 26<sup>th</sup> January 2019 for existing properties.
- New build provisional investment totals £263.728m over years 1 – 30.
- Estate Improvements of £64,000 per annum has been set aside for community investment initiatives within the Revenue Budget.
- Environmental improvements of £2.167m have been set aside in 2019/20.
- Major Repairs Allowance (MRA) has been assumed at the current level of £2.759m, per annum for the 30 year plan.

These assumptions have been agreed with the relevant officers.

## 5.2 Housing Revenue Account Projections

The Housing Revenue Account is managed in accordance with the relevant legislation and other guidance, including Welsh Office Circular 33/95 and future revisions. The detailed capital and revenue projections for the base model are shown in Appendix G as follows:-

G (i) – Major Repairs and Improvements - Base Model.

G (ii) – Operating Account - Base Model

The total amount of debt outstanding at any one point can be up to a maximum of £103.7m, being equal to the Limit on Indebtedness. However, in October 2018, The UK Government announced plans to lift the Housing Revenue Account Borrowing Cap and agreed for the Cap to be fully abolished in Wales. At the time of publication, Welsh Government Officials continue to work closely with the Welsh Local Government Association (WLGA) and LHAs to put the necessary arrangements in place. This includes discussions to ensure the Voluntary Agreements in Wales are terminated as soon as possible.

A summary of the projected financial position of the 30 year plan follows:-

**Base Plan - April 2019**

HRA Useable Capital Receipts Balance at 1st April 2018	<b>0</b>
Opening Housing Capital Financing Requirement at 1st April 2019	<b>£76.468m</b>
Peak Debt	<b>Year 4 £102.430m</b>
Repayment of Debt	<b>Year 27</b>
Revenue Surplus in year 30	<b>£75.737m</b>

Appendix G (i) – Major Repairs and Improvements, details the total required capital investment to maintain WHQS, provisional amounts for new build and regeneration and to maintain the stock over the next 30 years.

The following table gives a description of each column.

**Major Repairs and Improvements**

WHQS Improvement & Maintenance	Includes capital expenditure required to improve and maintain the stock to WHQS, it also includes investment in Disabled Adaptations.
Regeneration & Remodelling	This includes provision for environmental and regeneration work.
New Build Development Costs	This includes provisions for new build schemes and the potential buy-back of former RTB properties.
Borrowing	Borrowing is allowed under the Prudential Code provided that it is affordable for the Council.
Major Repairs Allowance (MRA)	Grant from Welsh Government – assumed at current level of £2.759m per annum.
Other Financing	This includes Section 106 contributions.
Revenue Contributions to Capital Outlay (RCCO)	Revenue contributions from the Housing Revenue Account (HRA) to fund capital expenditure, where the revenue account is in surplus.

Appendix G (ii) – Operating Account, displays the revenue account position year on year. The following table gives a description of each column:



<b>Operating Account</b>	
Net Rent Income	The rent and service charge income receivable on all dwellings adjusted for voids and bad debts
Other Income	Includes Garage Rents, leaseholder ground rent, sewerage treatment charges and contributions to expenditure.
Miscellaneous Income	Includes wayleaves and easements, lease income and mortgage interest.
WG Affordable Housing Grant	This is grant income which supports new Council house building. The grant is provided to fund the interest and capital repayments of debt.
Management Expenditure	Fixed costs for management and supervision.
Repairs & Maintenance	Revenue repairs expenditure.
Other Revenue Spend	Includes Council tax, audit, legal and consultants fees.
Miscellaneous Expenses	Hostel expenditure.
Capital Charges	Charges for loan debt.

## 6. Risks

There are risks that the assumptions used in the Housing Business Plan do not materialise and this may impact on the Council's ability to deliver its Plan. The impacts of the following ten scenarios have been assessed to quantify the various levels of risks. It should be noted that this is not an exhaustive list but it is considered that they cover the main areas of risk to the Plan.

<b>No.</b>	<b>Key Risk(s)</b>	<b>Rate of Change(s) modelled</b>	<b>Description of risk and reason for inclusion</b>
1	Rent	Reduction in rate of rent increase to CPI + 0.5%	19/20 is a transitional year for the Welsh Government's Rent Policy. The policy from 20/21 onwards is unknown.
2	Rent	Reduction in rate of rent increase to CPI only	19/20 is a transitional year for the Welsh Government's Rent Policy. The policy from 20/21 onwards is unknown.
3	Rent and Cost Inflation	Reduction in rate of rent increase to CPI + 0.5% plus increase of 1% on cost inflation	This combines a reduction in rent income with increasing costs. 19/20 is a transitional year for the Welsh Government's Rent Policy. The policy from 20/21 onwards is unknown.
4	Rent	Increase in rent loss of 2% per annum	This reflects an increase in bad debts and voids. The roll-out of Universal Credit has created several problems for other Authorities. The full financial impact for the Vale of Glamorgan is currently unknown.
5	Grant	The annual Major Repairs Allowance (MRA) from WG ceases	The MRA grant is a key funding stream that ensures the Plan remains viable. A reduction in this source of funding would have a significant impact.

6	Inflation	Inflation runs at 1% higher than anticipated (3%)	This assesses the effect of the combination of increasing income by the same factor as expenditure. Uncertainties around Brexit make it difficult to forecast any changes to inflation.
7	Inflation	Inflation runs at 1% lower than anticipated (1%)	This assesses the effect of the combination of decreasing income by the same factor as expenditure. Uncertainties around Brexit make it difficult to forecast any changes to inflation.
8	Interest Rates	Interest rate 0.5% higher than anticipated	This assesses the effect of increasing capital financing costs as uncertainties around Brexit make it difficult to forecast any changes to interest rates.
9	Management Costs	Management costs increase by 1% above inflation per annum.	The impact of Welfare Reform may result in increased management time and therefore costs in recovering rent arrears and debt management.
10	Repairs & Maintenance Costs	The cost of repairs and maintenance and WHQS increase by 1% above inflation per annum.	Uncertainties around Brexit make it difficult to forecast any changes to inflation.

The viability of the Housing Business Plan is determined by whether or not the HRA remains in surplus for the life of plan, with the minimum level of balances set at £873,000 in real terms from 2019/20. This is considered to be a prudent level. Sensitivity analysis has been applied to the Business Plan based on the following criteria provided by Welsh Government:

- Impact on Borrowing Capacity (value and timescales)
- Impact on HRA reserves (value and timescales)
- Impact on WHQS achievement and maintenance
- Mitigating actions (value and timescales)

The sensitivity analysis and the results for each scenario are shown in Appendix H.

## 6.2 Results

The sensitivity analysis has been carried out over the life of the Plan to assess the effects on the Business Plan objectives of the different scenarios. The following scenarios in the table below may require the Business Plan to be adjusted and mitigating actions implemented.

No.	Scenario	Savings Required £000's	Mitigating Actions
1	Reduction in rate of rent increase to CPI + 0.5%	£3.03m between years 8 and 10	Reduce number of proposed new builds by 25 units between years 8 and 10
2	Reduction in rate of rent increase to CPI only	£37.08m between years 7 and 25	Reduce number of proposed new builds by 297 units between years 7 and 25

3	Reduction in rate of rent increase to CPI + 0.5% plus increase of 1% on cost inflation	£68.29m between years 7 and 26	Reduce number of proposed new builds by 547 units between years 7 and 26
4	Increase in rent loss of 2% per annum	£7.5m between years 3 and 10	Reduce number of proposed new builds by 60 units between years 3 and 10
5	The annual Major Repairs Allowance (MRA) from WG ceases	£26.32m between years 3 and 11	Reduce number of proposed new builds by 211 units between years 3 and 11
10	The cost of repairs and maintenance and WHQS increase by 1% above inflation per annum.	£3.33m between years 8 and 10	Reduce number of proposed new builds by 27 units between years 8 and 10

There are however, other mitigating actions that could be pursued should any of the above scenarios materialise. These could include a reduction or re-profiling of regeneration works, management savings on added value community regeneration and initiatives being reduced or postponed. Also maintenance and voids works could be reduced to a minimum acceptable standard. While it is anticipated the primary mitigating action would be to reduce the number of new build houses, this may not be the only method of making up the shortfall and the other options would be considered at the appropriate time.

While some of the scenarios show a shortfall, scenarios 1, 2, 3 and 10 do not take effect until year 7 or 8 at the earliest. This provides time in which the Business Plan could be adjusted if the scenarios start to materialise. Scenario 5 where the MRA is ceased would have a more immediate impact as the shortfall commences in year 3.

### 6.3 Risk Assessment

The Council has a seven step process to managing risk:

1. Identifying Risk
2. Analysing Risk
3. Profiling Risk
4. Prioritising Action
5. Determining Action
6. Controlling Risk
7. Monitoring and Reporting Progress

The Corporate Risk Register provides a detailed outline of the Corporate Risks facing the Council at a given point in time. It provides a description of the risk, highlights the status of each corporate risk as well as what actions are currently in place, or are being progressed to further reduce the likelihood and impact of the risk occurring.

A Corporate Risk Management Group has been established to support the identification, assessment and monitoring of risks facing the Council. Although, the group focuses on the Corporate Risk Register, it also supports managers in their approach to managing their service risks. The attached service plan at Appendix A details the risks associated with Housing Services and their mitigating actions.

During 2016/17 the Council reviewed its approach monitoring existing and emerging Service risks which are now reflected in new quarterly performance reports produced for each of the Corporate Plan Well-being Outcomes and Corporate Health. These provide an overview of how the use of resources impacts on improvement informed by a number of corporate health perspectives including service risks.

Corporate Risks are also considered quarterly as part of established integrated business planning (Insight) arrangements of the Council.

#### **6.4. Welfare Benefit Reforms and the Potential Impacts on the Housing Revenue Account**

The provision for doubtful debts has been increased to allow for the negative impact of Welfare Reform and in particular, Universal Credit on rent collection. The provision included for year 1 is 6%, with subsequent years at 3%. The effect of the Universal Credit roll out is becoming clearer with an increase in average arrears to £400 for every UC claimant (as compared to £150 for HB arrears). There are around 6 tenants a week migrating across to UC as a result of changes of circumstances (from legacy benefits). To date there are 174 tenants in receipt of UC and the total number of arrears for those tenants is just under £71,000. This is pushing up the total arrears levels across the Council which are now £40,000 higher than when UC was first introduced.

It is vital that to prevent tenants falling into arrears, Housing Services are working proactively to target those who are being adversely affected by the welfare reforms.

### **7. Providing an Excellent Service (Performance Management)**

#### **7.1 Performance Management in the Council**

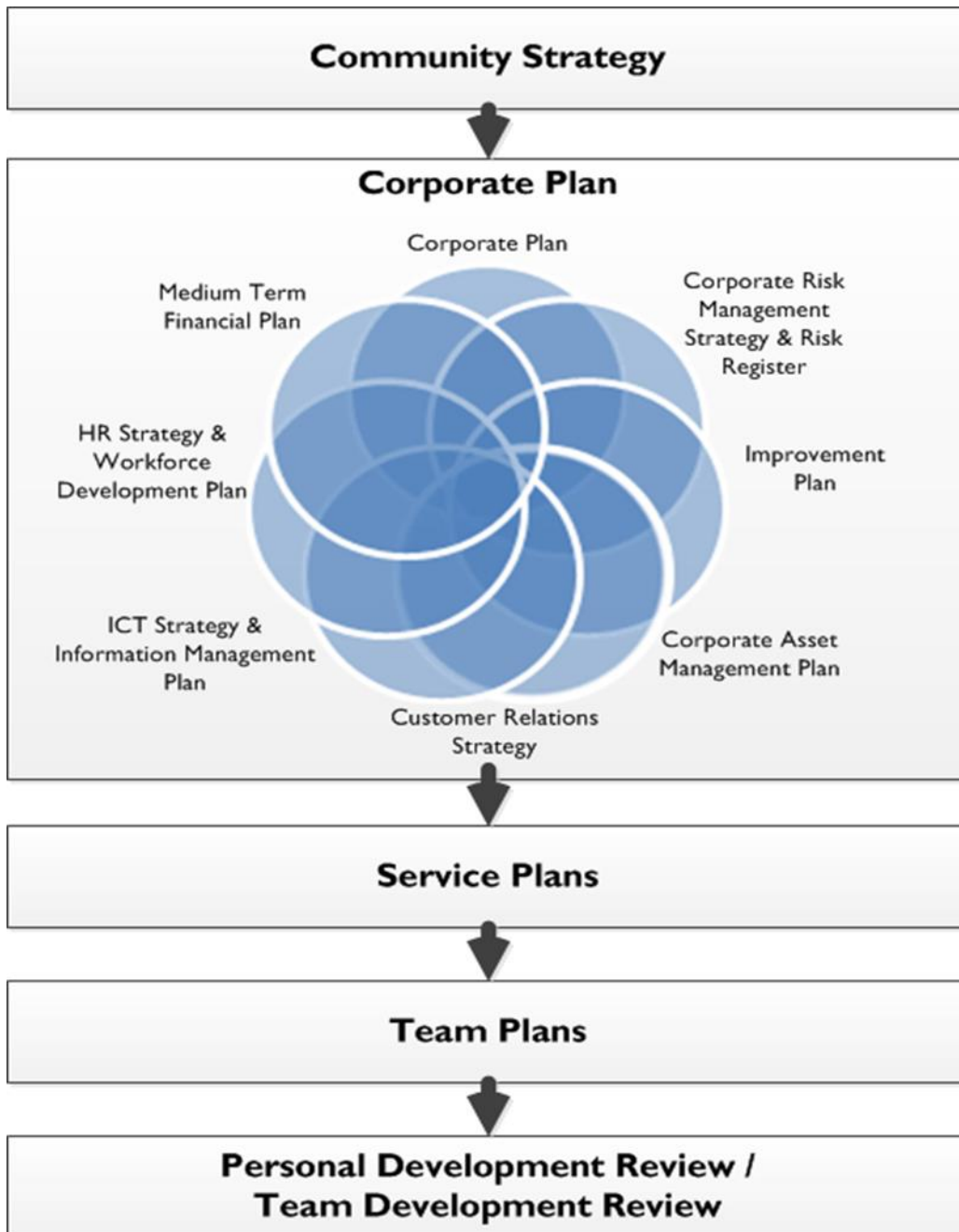
The Council has a long established "Performance Management Framework" in place to realise its aspirations in delivering our service objectives and the Corporate Plan priorities. During 2016/17 the Council implemented a revised Performance Management Framework (PMF) to reflect the requirements of the Well-being of Future Generations Act. The key changes already implemented include:

- A Corporate Plan covering the period 2016-20, published on 1st April 2016.
- Revised Scrutiny Committee structures were introduced in May 2016 to reflect the Well-being outcomes outlined in the new Corporate Plan.

- A revised Service /Business Plan template was introduced to reflect the new Corporate Plan and is more focused.
- A revised Team Plan template was introduced mirroring the approach to Service Plans and this is being used to support team development activity and the revised personal development review process.
- Established a new reporting format and a suite of measures involving Elected Members with these focusing more on outcomes. We continue to refine these reports to enable us to better demonstrate progress towards achieving the Corporate Plan Well-being Outcomes.
- An “Insight Board” has been established comprising key officers across the Council to consider integrated planning issues and report to Corporate Management Team (CMT) and Cabinet. The work programme of the Board aligns with the CMT and Cabinet forward work programmes. This approach has contributed to more integrated business planning practices, staff development opportunities, continued promotion of “one Council” working and significantly reduced the overall amount of officer time spent in meetings
- Revised and launched new staff appraisal (#itsbaoutme) in September 2016 which reflects the new Corporate Plan, Service Plan, Team Plan and the Council’s new Staff Charter.
- A Management Competency Framework has been developed and officers at team manager level and above have mandatory training to support the new ways of working in line with the Council’s service transformation agenda.
- A revised Training and Development Strategy has been completed and was formally launched during spring 2017.

The Council’s framework provides:-

- An integrated planning system, linking the high level Corporate Plan and the Council’s Well-being Outcomes and Objectives to individual targets and objectives.
- A structure for performance measurement that includes more outcome focused performance indicators, targets, risks and actions.
- A development framework for Elected Members and staff to ensure they have the skills required to carry out their work
- An appraisal system that provides links between the planning framework and individual improvement targets for chief officers.
- A monitoring framework to ensure that all targets and action plans are delivered.



To shape the attitude and behaviour needed to deliver our vision and develop the performance culture, the Council has identified a set of values. These have been informed by staff and are consistent with the five ways of working which underpin the sustainable development principle and are central to the Well-being of Future Generations Act - in terms of looking to the long term, taking an integrated approach, involving and working in a collaborative way. Our values have been built into Personal Development Review processes and Member Development programme and will support a greater focus on prevention as we work to deliver our vision.

Our values (outlined below) describe the professional behaviours that will contribute to the Council's ability to adapt to future demand and deliver its Well-being Outcomes and Objectives contributing to achieving our vision of strong communities with a bright future:

- **Ambitious** - Forward thinking, embracing new ways of working and investing in our future.
- **Open** - Open to different ideas and being accountable for the decisions we take.

- **Together** - Working together as a team that engages with our customers and partners, respects diversity and is committed to quality services.
- **Proud** - Proud of the Vale of Glamorgan: proud to serve our communities and to be part of the Vale of Glamorgan Council.

The Council's Performance Management Framework is outlined in Appendix I and outlines a clear plan to achieving our objectives and standards expected for the landlord service.

## 7.2 What does this mean for Housing Services?

The Service Plan for Housing Services has been updated for 2019/20. This document is a key component of the Council's planning framework. It supports the delivery of the Corporate Plan and ultimately the overarching Community Strategy and the delivery of the day to day business activities of the Council and service. Our work links in directly to the Council's Corporate Plan Priority Outcomes for Housing for 2019/20

During 2018-19 our service undertook the actions outlined below to contribute to Year 2 of the Corporate Plan Well-being Outcomes and Objectives.

Well-being outcome	Well-being objective	Ref	Action
WO1: An Inclusive and Safe Vale	O1: Reducing Poverty and Social Exclusion	IS002	Work with partners to deliver the objectives stated within Financial Inclusion Strategy
WO1: An Inclusive and Safe Vale	O1: Reducing Poverty and Social Exclusion	IS003	Provide information and support to residents affected by Welfare Reform and raise awareness of staff and partners about the impact of the changes.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS007	Complete the delivery of the Council House Improvement Programme.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS008	Continue with the council house building programme.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS009	Provide appropriate accommodation and support services for particular vulnerable groups.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS011	Increase the number of sustainable, affordable homes.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS013	Work with the Police and Crime Commissioner to pilot a new approach to supporting victims of domestic violence in Council Housing.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS014	Prevent and tackle incidents of anti-social behaviour including implementing restorative justice approaches for young people.
WO1: An Inclusive and Safe Vale	O2: Providing decent homes and safe communities	IS016	Prevent and tackle incidents of anti-social behaviour including implementing restorative justice approaches for young people.
WO4: An Active and Healthy Vale	O7: Encouraging and promoting active and healthy lifestyles	AH2	Work with partners to deliver the Cardiff and Vale Substance Misuse Commissioning Strategy 2013-2018, providing support, information and effective interventions.

Further detail about the work planned to support these actions is provided within the service plan provided at appendix A

### **7.3 Housing Delivery Outcomes**

#### **Part A - Service Principles**

- We place the people who want to use our services at the heart of our work putting the citizen first.
- We live public sector values, by conducting our affairs with honesty and integrity, and demonstrate accountability through our behaviour.
- We make sure our purpose is clear and we achieve what we set out to do -knowing who does what and why.
- We engage with others to enhance and maximise outcomes for our service users and the community.

#### **Part B - Housing Services Delivered by All Local Authorities Homelessness**

- We work to prevent and alleviate homelessness whenever possible.in line with the Housing (Wales) Act 2015
- Strategic Housing Role - we assess and plan for the current and future housing needs of the local population across all tenures and display a corporate approach to deliver good quality affordable housing to households and communities.
- We have an effective approach to improving the quality and use of existing housing and promoting sustainable communities and bring back empty properties.

#### **Part C - Landlord Services (How We Deliver Efficient and Effective Landlord Services)**

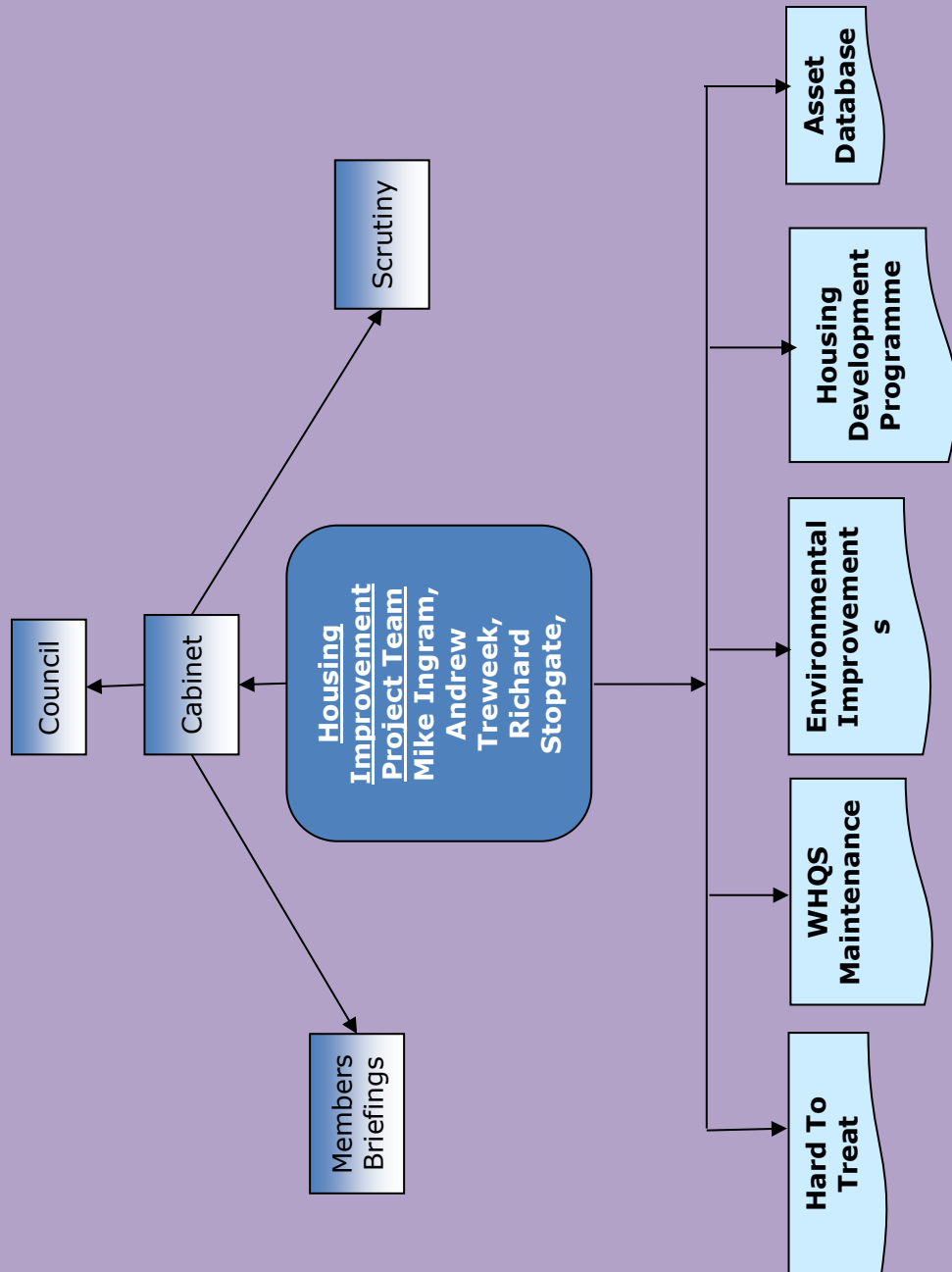
- We build and renovate homes to a good quality.
- We let homes in a fair, transparent and effective way.
- We manage our homes effectively.
- We repair and maintain homes in an efficient, timely and cost effective way.
- We provide fair and efficient services for owners.



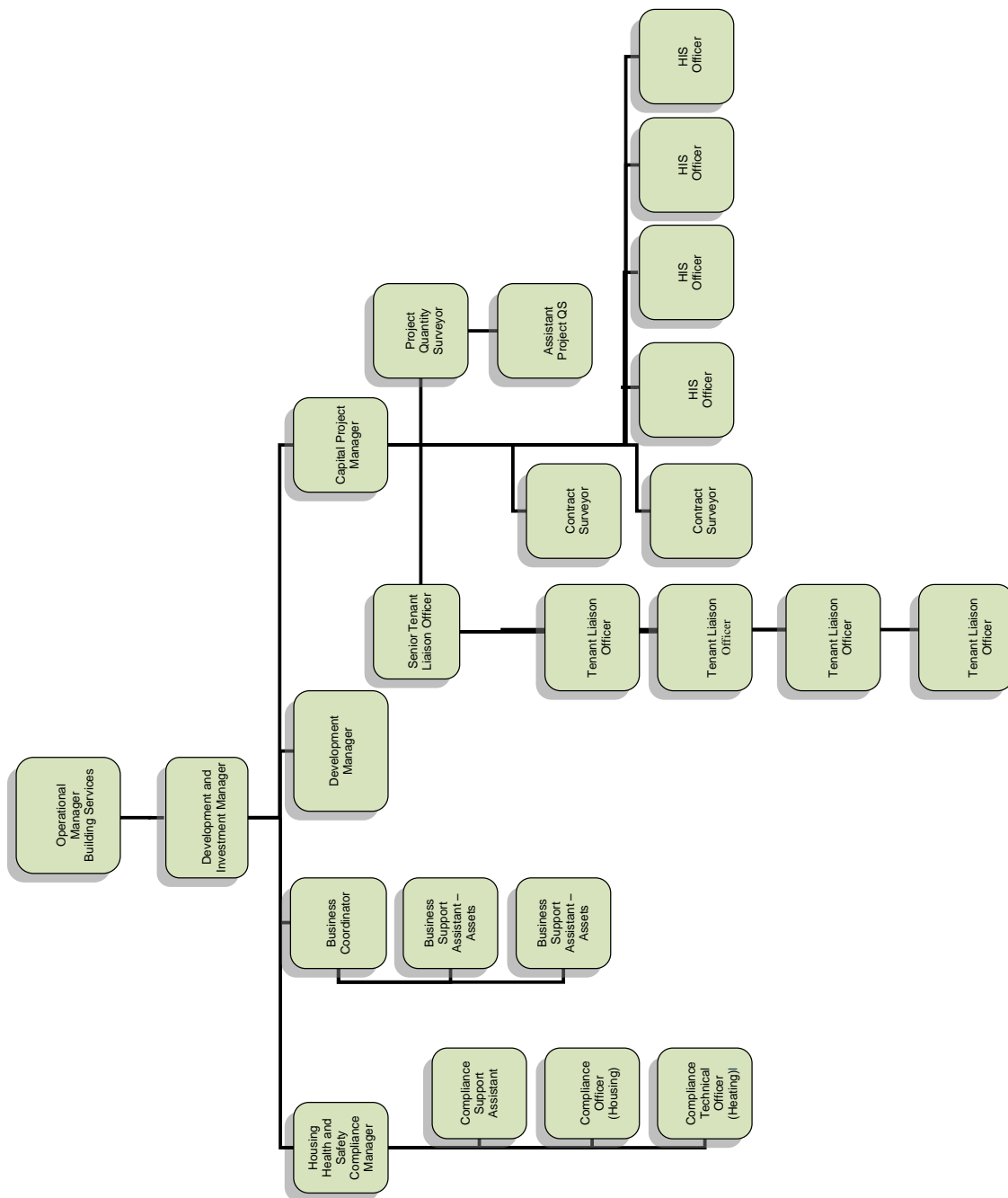
## **Appendices**

### **Appendix A - Housing Service Plan**

# Housing Improvement Programme Governance Structure



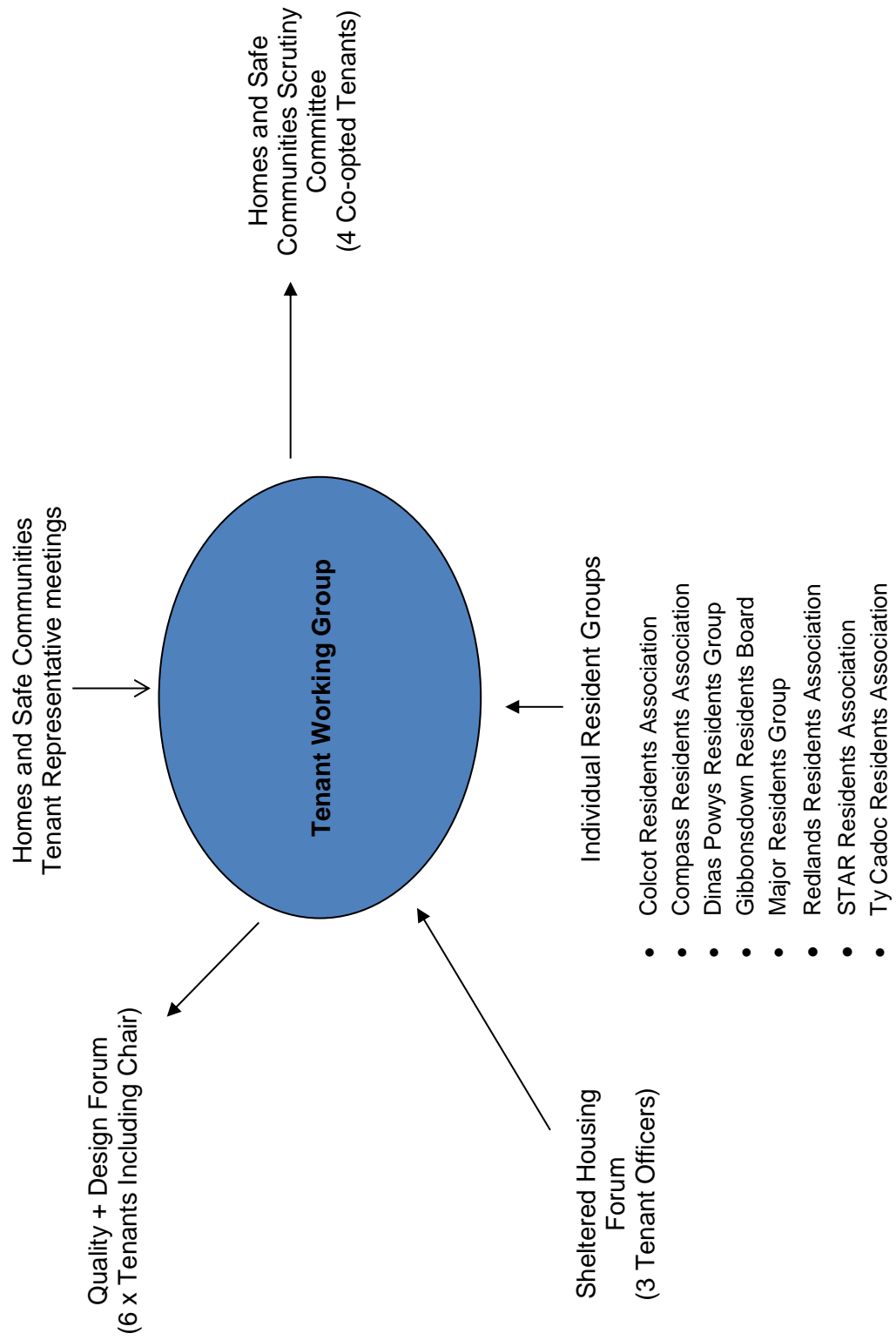
## Appendix C - Housing Improvement Team Structure



**Note:** In respect of delivering the Housing Improvement Programme to meet the WHQS, the Council has split the Vale into four contract areas (external contractor for each area). In doing so, there is a Housing Improvement Supervisor (Clerk of Works) and a Tenant Liaison Officer for each area. These officers work very closely with tenants and contractors on a daily basis. Building Services directly manage WHQS voids as and when properties become available.

# Appendix D – Tenants Governance Structure

## Tenants Governance Structure



## Appendix E – Housing Investment Programme

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Total
Schemes	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Internal Elements	14,089	3,857	934	631	1,036	1,051	21,598
External Elements	377	7,364	10,488	9,539	6,459	2,662	36,889
Asbestos Management	1,983	811	122	0	0	0	2,916
Council Housing Aids and Adaptations	295	367	290	325	520	400	2,197
Common Parts	0	179	66	377	1,348	2,000	3,970
Re-ablement ICF	503	0	78	155	0	0	736
Arbed Project	0	2,069	250	0	0	0	2,319
General Improvements	2,173	191	47	0	0	0	2,411
Individual Schemes	0	854	2,566	358	703	0	4,481
Emergency Works	0	150	141	110	378	300	1,079
Environmental Improvements	59	216	382	2,239	1,884	2,169	6,949
New Build & Regeneration	0	5	169	606	2,466	9,316	12,562
Digital Highway in Sheltered Accommodation	0	0	0	19	6	0	25
ICF - Penarth Older Persons Village	0	0	0	0	100	0	100
<b>Total Housing Improvement Programme</b>	<b>19,479</b>	<b>16,063</b>	<b>15,533</b>	<b>14,359</b>	<b>14,900</b>	<b>17,898</b>	<b>98,232</b>

## Appendix F - HRA Business Plan Assumptions

Item	2019
Inflation (CPI)	2.0% (Based on Welsh Government Guidance).
Standard Stock Level at 1 <sup>st</sup> April 2019	3,838
Minimum level of balances to be maintained	£873k in real terms; this is considered to be a prudent level.
Supervision & Management costs	Based on 2019/20 budget estimates rising with annual inflation and split 50:50 in terms of fixed and variable costs. With the variable cost element changing according to stock numbers.
Revenue Repairs spending	£1,053 per unit in 2019/20, increasing with inflation only in future years.
Rents	Gross average rents for standard stock units are £96.88 in 2019/20 calculated on a 52 week basis. After 2020/21 rents have been assumed to increase by CPI + 1% as per WG Business Plan Guidance.
Voids & bad debts	Voids have been set at 1% for standard stock units based on the current position. Bad debts set at 3% in 2019/20, increasing to 6% in 2020/21 and 2021/22 and reducing back down to 3% for subsequent years. This is thought to be prudent in terms of Welfare Reform.
All other revenue income & expenditure	Based on 2019/20 Budget.
Capital Investment / Stock Condition	Based on stock condition data within the Keystone Asset Management System, and any known issues.
Major Repairs Allowance	£2.759m. Assumed no inflation.
Peak Debt	£102.43m (Year 4).
Repayment of Debt	Year 27.
RTB sales	None.
Interest Rates	Current Pool Rate – 3.78% Interest on Balances - 1% (estimated average 3 month LIBID)

## Appendix G (i) – HRA Business Plan, Major Repairs & Improvements

### Vale of Glamorgan Council

#### HRA Business Plan

#### Major Repairs and Improvements Financing

(expressed in money terms)

Year	Expenditure				Financing				
	WHQS Imp & Maint	Regen & Remodelling	New Build Developme nt Costs	Total Expenditure	Borrowing	Other	MRA	RCCO	Total Financing
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
2019.20	6,416	2,167	9,316	17,898	9,293	0	2,759	5,846	17,898
2020.21	3,372	2,142	14,466	19,980	10,652	1,300	2,759	5,268	19,980
2021.22	3,286	2,642	13,616	19,544	11,094	0	2,759	5,691	19,544
2022.23	3,308	3,804	4,418	11,530	1,698	0	2,759	7,073	11,530
2023.24	3,319	1,496	4,594	9,409	0	0	2,759	6,650	9,409
2024.25	6,027	1,640	6,461	14,128	2,576	0	2,759	8,793	14,128
2025.26	6,148	2,292	6,674	15,114	2,906	0	2,759	9,449	15,114
2026.27	6,271	2,338	7,062	15,670	2,726	0	2,759	10,185	15,670
2027.28	6,396	2,384	7,203	15,983	2,250	0	2,759	10,974	15,983
2028.29	6,524	2,432	7,347	16,303	1,769	0	2,759	11,775	16,303
2029.30	5,973	1,609	7,494	15,076	0	0	2,759	12,317	15,076
2030.31	6,093	1,641	7,644	15,378	3,973	0	2,759	8,646	15,378
2031.32	6,215	1,674	7,797	15,685	0	0	2,759	12,926	15,685
2032.33	6,339	1,708	7,952	15,999	6,553	0	2,759	6,687	15,999
2033.34	6,466	1,742	8,112	16,319	0	0	2,759	13,560	16,319
2034.35	9,406	1,777	8,274	19,456	6,379	0	2,759	10,317	19,456
2035.36	9,594	1,812	8,439	19,845	0	0	2,759	17,086	19,845
2036.37	9,786	1,848	8,608	20,242	4,542	0	2,759	12,941	20,242
2037.38	9,981	1,885	8,780	20,647	0	0	2,759	17,888	20,647
2038.39	10,181	1,923	8,956	21,060	2,308	0	2,759	15,993	21,060
2039.40	13,467	1,961	9,135	24,563	0	0	2,759	21,804	24,563
2040.41	13,736	2,001	9,318	25,054	3,105	0	2,759	19,190	25,054
2041.42	14,011	2,041	9,504	25,556	0	0	2,759	22,797	25,556
2042.43	14,291	2,082	9,694	26,067	542	0	2,759	22,766	26,067
2043.44	14,577	2,123	9,888	26,588	0	0	2,759	23,829	26,588
2044.45	9,567	2,166	10,577	22,310	0	0	2,759	19,551	22,310
2045.46	9,759	2,209	10,287	22,255	0	0	2,759	19,496	22,255
2046.47	9,954	2,253	10,493	22,700	0	0	2,759	19,941	22,700
2047.48	10,153	2,298	10,703	23,154	0	0	2,759	20,395	23,154
2048.49	10,356	2,344	10,917	23,617	0	0	2,759	20,858	23,617
<b>TOTAL</b>	<b>250,970</b>	<b>62,432</b>	<b>263,728</b>	<b>577,130</b>	<b>72,367</b>	<b>1,300</b>	<b>82,770</b>	<b>420,693</b>	<b>577,130</b>

## Appendix G (ii) – HRA Business Plan Operating Account

Year	Income				Expenditure										Net Operating (Expenditure) £,000	Repayment of loans £,000	RCCO £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
	Netrent Income	Other Income	Misc Income	WGAIF Hsg Grant	Managt.	Repairs & Maintenance	Other Revenue	Misc expense	Total expense	Capital Charges											
1 2019.20	19,404	498	32	134	20,069	(4,928)	(4,043)	(215)	(432)	(9,619)	(4,591)	5,860	0	(5,846)	14	852	9	874			
2 2020.21	19,477	508	33	134	20,152	(5,027)	(4,124)	(220)	(441)	(9,811)	(5,055)	5,287	0	(5,268)	18	874	9	901			
3 2021.22	20,487	518	34	134	21,173	(5,127)	(4,206)	(224)	(450)	(10,007)	(5,466)	5,699	0	(5,691)	8	901	9	919			
4 2022.23	22,367	528	34	134	23,064	(5,230)	(4,290)	(228)	(459)	(10,207)	(5,776)	7,080	0	(7,073)	8	919	9	936			
5 2023.24	23,407	539	35	134	24,116	(5,334)	(4,376)	(233)	(468)	(10,412)	(5,692)	8,013	(1,331)	(6,650)	32	936	10	977			
6 2024.25	24,258	550	36	134	24,978	(5,441)	(4,464)	(238)	(477)	(10,620)	(5,578)	8,780	0	(8,793)	(12)	977	10	974			
7 2025.26	25,174	561	36	134	25,906	(5,550)	(4,553)	(242)	(487)	(10,832)	(5,615)	9,458	0	(9,449)	9	974	10	993			
8 2026.27	26,160	572	37	134	26,904	(5,661)	(4,644)	(247)	(497)	(11,049)	(5,661)	10,194	0	(10,185)	9	993	10	1,013			
9 2027.28	27,190	584	38	134	27,946	(5,774)	(4,737)	(252)	(506)	(11,270)	(5,691)	10,984	0	(10,974)	10	1,013	10	1,033			
10 2028.29	28,260	596	39	134	29,029	(5,890)	(4,884)	(257)	(517)	(11,547)	(5,696)	11,786	0	(11,775)	11	1,033	10	1,054			
11 2029.30	29,371	608	39	134	30,152	(6,008)	(4,987)	(262)	(527)	(11,784)	(5,646)	12,722	(388)	(12,317)	17	1,054	11	1,081			
12 2030.31	30,522	620	40	134	31,317	(6,128)	(5,153)	(268)	(537)	(12,085)	(5,581)	13,651	(5,000)	(8,646)	5	1,081	11	1,097			
13 2031.32	31,717	632	41	134	32,525	(6,250)	(5,443)	(273)	(548)	(12,515)	(5,331)	14,679	(1,733)	(12,926)	20	1,097	11	1,128			
14 2032.33	32,956	645	42	134	33,777	(6,375)	(5,637)	(278)	(559)	(12,850)	(5,238)	15,689	(9,000)	(6,687)	2	1,128	11	1,141			
15 2033.34	34,240	658	43	134	35,075	(6,503)	(5,788)	(284)	(570)	(13,146)	(4,816)	17,114	(3,485)	(13,560)	69	1,141	12	1,222			
16 2034.35	35,572	671	43	134	36,421	(6,633)	(5,959)	(290)	(582)	(13,463)	(4,686)	18,272	(8,000)	(10,317)	(45)	1,222	12	1,188			
17 2035.36	36,953	685	44	134	37,817	(6,765)	(6,135)	(296)	(593)	(13,790)	(4,342)	19,685	(2,546)	(17,086)	53	1,188	12	1,253			
18 2036.37	38,385	699	45	134	39,264	(6,901)	(6,316)	(301)	(605)	(14,124)	(4,228)	20,911	(8,000)	(12,941)	(30)	1,253	12	1,235			
19 2037.38	39,870	713	46	134	40,764	(7,039)	(6,502)	(307)	(617)	(14,466)	(3,790)	22,508	(4,533)	(17,888)	87	1,235	13	1,335			
20 2038.39	41,410	727	47	134	42,318	(7,180)	(6,693)	(314)	(630)	(14,816)	(3,573)	23,930	(8,000)	(15,993)	(63)	1,335	13	1,285			
21 2039.40	43,006	742	48	134	43,930	(7,323)	(6,889)	(320)	(642)	(15,174)	(3,079)	25,676	(8,000)	(17,804)	75	1,285	13	1,374			
22 2040.41	44,660	757	49	134	45,600	(7,470)	(7,090)	(326)	(655)	(15,541)	(2,919)	27,140	(8,000)	(19,190)	(50)	1,374	13	1,337			
23 2041.42	46,375	772	50	134	47,332	(7,619)	(7,296)	(333)	(668)	(15,916)	(2,426)	28,989	(6,079)	(22,797)	114	1,337	14	1,465			
24 2042.43	48,153	788	51	134	49,126	(7,771)	(7,508)	(339)	(682)	(16,300)	(2,149)	30,677	(8,000)	(22,766)	(88)	1,465	14	1,391			
25 2043.44	49,996	804	52	134	50,986	(7,927)	(7,725)	(346)	(695)	(16,693)	(1,535)	32,758	(8,769)	(23,829)	160	1,391	15	1,565			
26 2044.45	51,907	820	53	134	52,914	(8,085)	(7,948)	(353)	(709)	(17,096)	(1,049)	34,769	(15,230)	(19,551)	(12)	1,565	16	1,569			
27 2045.46	53,887	836	54	134	54,911	(8,247)	(8,177)	(360)	(723)	(17,507)	(217)	37,187	(5,806)	(19,496)	11,885	1,569	15	1,529			
28 2046.47	55,939	853	55	134	56,982	(8,412)	(8,411)	(367)	(736)	(17,929)	(0)	39,053	0	(19,941)	19,112	13,529	231	32,871			
29 2047.48	58,066	870	56	0	58,992	(8,580)	(8,652)	(375)	(753)	(18,360)	0	40,632	0	(20,395)	20,237	32,871	430	53,538			
30 2048.49	60,270	888	57	0	61,215	(8,752)	(8,899)	(382)	(768)	(18,801)	0	42,414	0	(20,858)	21,556	53,538	643	75,737			



## Appendix H – Sensitivity Analysis

Base case CPI assumed at 2% as per WG guidance

Base case closing reserve balance at Y30 = £75.737m

Limit of indebtedness - £103.723m (voluntary agreement yet to be terminated)

Ref	Key Risk(s)	Rate of Change(s) modelled	Description of risk and reason for inclusion	Pre-mitigation			Is the plan able to repay the borrowing by year 30?	Potential Mitigating action(s) Description	Potential Mitigating action(s) Impact (value and timescale)
				Impact on Borrowing Capacity (value and timescale)	Impact on HRA reserves (value and timescale)	Impact on WHQS achievement and maintenance			
1	Rent	Reduction in rate of increase to CPI + 0.5%	1920 is a transitional year for the Rent Policy. The policy from 2021 onwards is unknown.	Borrowing capacity breached by £670k in year 8.	HRA reserve set and maintained at a level that is deemed prudent.	Shortfall on capital programme in Y8, 9 and 10. Total of £3.03m.	No - £33.5m outstanding.	Scale back new build development programme.	Reduce number of proposed new builds by 25 units over Y8, 9 & 10.
2	Rent	Reduction to CPI only	1920 is a transitional year for the Rent Policy. The policy from 2021 onwards is unknown.	Borrowing capacity breached by £1.432m in year 7.	HRA reserve set and maintained at a level that is deemed prudent.	Shortfall on capital programme between Y7 & 25 of £37.075m.	No - £89.3m outstanding.	Scale back new build development programme.	Reduce number of proposed new build units by 297 units between Y7 and 25.
3	Rent and Cost Inflation	Reduction in rate of rent increase to CPI + 0.5% plus increase of 1% on cost inflation	1920 is a transitional year for the Rent Policy. The policy from 2021 onwards is unknown.	Borrowing capacity breached by £2.705m in year 7.	HRA reserve set and maintained at a level that is deemed prudent.	Shortfall on capital programme between Y7 & 26 of £88.288m.	No - £102.573m outstanding.	Scale back new build development programme.	Reduce number of proposed new build units by 547 units between Y7 and 26.
4	Rent	Increase in rent loss of 2% per annum	The roll-out of Universal Credit has created several problems for other authorities. The full financial impact for the Vale of Glamorgan is currently unknown.	Borrowing capacity breached by £1.325m in year 3.	HRA reserve set and maintained at a level that is deemed prudent.	Shortfall on capital programme between Y3 & 10 of £7.498m.	Yes - Year 29.	Scale back new build development programme.	Reduce number of proposed new build units by 60 units between Y3 and 10.
5	Grant	The annual Major Repairs Allowance (MRA) from WG ceases	The MRA grant is a key funding stream that ensures the Plan remains viable.	Borrowing capacity breached by £7.317m in year 3.	HRA reserve set and maintained at a level that is deemed prudent.	Shortfall on capital programme between Y3 and 11 of £26.323m.	No - £5.935m outstanding.	Scale back new build development programme.	Reduce number of proposed new build units by 211 units between Y3 and 11.
6	Inflation	Inflation runs at 1% higher than anticipated (3%)	Uncertainties around Brexit make it difficult to forecast any changes to inflation.	Borrowing capacity not breached.	HRA reserve set and maintained at a level that is deemed prudent.	No shortfall - WHQS maintained.	Yes - Year 26.	N/A	N/A
7	Inflation	Inflation runs at 1% lower than anticipated (1%)	Uncertainties around Brexit make it difficult to forecast any changes to inflation.	Borrowing capacity not breached.	HRA reserve set and maintained at a level that is deemed prudent.	No shortfall - WHQS maintained.	Yes - Year 28.	N/A	N/A
8	Interest Rates	Interest rate 0.5% higher than anticipated	Uncertainties around Brexit make it difficult to forecast any changes to interest rates.	Borrowing capacity not breached.	HRA reserve set and maintained at a level that is deemed prudent.	No shortfall - WHQS maintained.	Yes - Year 27.	N/A	N/A
9	Mgt Costs	Management costs increase by 1% above inflation per annum.	The impact of Welfare Reform may result in increased management time and therefore costs in recovering rent arrears and debt management.	Borrowing capacity breached by £16k in Y10.	HRA reserve set and maintained at a level that is deemed prudent.	Shortfall of £16k in Y10.	Yes - Year 29.	Re-profile new build investment.	Re-profile new build investment across years where there is debt capacity available.
10	Repairs & Maintenance	The cost of repairs and maintenance and WHQS increase by 1% above inflation per annum.	Uncertainties around Brexit make it difficult to forecast any changes to inflation.	Borrowing capacity breached by £812k in year 8.	HRA reserve set and maintained at a level that is deemed prudent.	Shortfall of £3.333m between Y8 & 10.	No - £37.267m outstanding.	Scale back new build development programme.	Reduce number of proposed new build units by 27 units between Y8 and 10.

Ref	Key Risk(s)	Rate of Change/(s) modelled	Description of risk and reason for inclusion	Post-mitigation			Does the plan become viable if the debt cap is removed?	Is the debt cap exceeded by more than 5%? (£108.909m)	What is the peak debt?	By how much is the debt cap exceeded? (£m)	Is the plan able to repay the borrowing by year 30?
				Residual Impact on Borrowing Capacity (value and timescale)	Residual Impact on HRA reserves (value and timescale)	Residual Impact on WHQS achievement and maintenance					
1	Rent	Reduction in rate of increase to CPI + 0.5%	1920 is a transitional year for the Rent Policy. The policy from 2021 onwards is unknown.	HRA reserve set and maintained at a level that is deemed prudent.	HRA reserve set and maintained at a level that is deemed prudent.	Yes	No	£106.898m at Y10	£3.175	No - £39.7m outstanding.	
2	Rent	Reduction to CPI only	1920 is a transitional year for the Rent Policy. The policy from 2021 onwards is unknown.	HRA reserve set and maintained at a level that is deemed prudent.	HRA reserve set and maintained at a level that is deemed prudent.	No	Yes	£152.083m at Y26	£48.360	No - £146m outstanding.	
3	Rent and Cost Inflation	Reduction in rate of rent increase to CPI + 0.5% plus increase of 1% on cost inflation	1920 is a transitional year for the Rent Policy. The policy from 2021 onwards is unknown.	HRA reserve set and maintained at a level that is deemed prudent.	HRA reserve set and maintained at a level that is deemed prudent.	No	Yes	£205.680 at Y30	£101.957	No - £205.7m outstanding.	
4	Rent	Increase in rent loss of 2% per annum	The roll-out of Universal Credit has created several problems for other authorities. The full financial impact for the Vale of Glamorgan is currently unknown.	HRA reserve set and maintained at a level that is deemed prudent.	HRA reserve set and maintained at a level that is deemed prudent.	Yes	No	£106.159 at Y10	£2.436	Yes - Year 28.	
5	Grant	The annual Major Repairs Allowance (MRA) from WG ceases	The MRA grant is a key funding stream that ensures the Plan remains viable.	HRA reserve set and maintained at a level that is deemed prudent.	HRA reserve set and maintained at a level that is deemed prudent.	No	Yes	£138.163m at Y18.	£34.440	No - £65.3m outstanding.	
6	Inflation	Inflation runs at 1% higher than anticipated (3%)	Uncertainties around Brexit make it difficult to forecast any changes to inflation.	HRA reserve set and maintained at a level that is deemed prudent.	N/A	N/A	N/A	N/A	N/A	N/A	
7	Inflation	Inflation runs at 1% lower than anticipated (1%)	Uncertainties around Brexit make it difficult to forecast any changes to inflation.	HRA reserve set and maintained at a level that is deemed prudent.	N/A	N/A	N/A	N/A	N/A	N/A	
8	Interest Rates	Interest rate 0.5% higher than anticipated	Uncertainties around Brexit make it difficult to forecast any changes to interest rates.	HRA reserve set and maintained at a level that is deemed prudent.	N/A	N/A	N/A	N/A	N/A	N/A	
9	Mgt Costs	Management costs increase by 1% above inflation per annum.	The impact of Welfare Reform may result in increased management time and therefore costs in recovering rent arrears and debt management.	HRA reserve set and maintained at a level that is deemed prudent.	N/A	N/A	N/A	N/A	N/A	N/A	
10	Repairs & Maintenance	The cost of repairs and maintenance and WHQS increase by 1% above inflation per annum.	Uncertainties around Brexit make it difficult to forecast any changes to inflation.	HRA reserve set and maintained at a level that is deemed prudent.	N/A	Yes	No	£107.219m at Y10.	£3.496	No - £44m outstanding.	

# Appendix I - Vale of Glamorgan Council – Performance Management Framework

