

<b>ISLE OF ANGLESEY COUNTY COUNCIL</b>	
<b>Report to:</b>	<b>The Executive</b>
<b>Date:</b>	<b>26th March 2018</b>
<b>Subject:</b>	<b>Housing Revenue Account Business Plan 2018-2048</b>
<b>Portfolio Holder(s):</b>	<b>Alun Mummery</b>
<b>Head of Service:</b>	<b>Ned Michael</b>
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<b>Local Member:</b>	

<b>A – Recommendation/Recommendations and Reason/Reasons</b>
<p>Recommend that the Executive approve:-</p> <p><b>R1.</b> The Housing Revenue Account (HRA) Business Plan 2018-2048, and in particular the HRA budget for 2018-2019 as set out within the Plan, for submission to Welsh Government</p> <p><b>R2.</b> The proposed Housing Capital Programme for 2018-2019, as set out in Appendix 3</p> <p><b>R3.</b> Delegated authority is given to the Head of Services, Housing and Head of Service, Resource / Section 151 Officer, to make any amendments to the Business Plan, prior to submission to Welsh Government.</p> <p><b>Reasons</b></p> <p><b>1.0 Background</b></p> <p><b>1.1</b> This Report and Business Plan has been prepared in conjunction with Officers from Finance Services, the Business Plan forms the primary tool for financial planning of the delivery and management of the Council's housing stock. In particular, the Business Plan demonstrates:-</p> <ul style="list-style-type: none"> <li>- how the Council brings all its stock to Welsh Housing Quality Standards – there remains to be some properties that are classified as 'acceptable fails';</li> <li>- how the Council intends to maintain and exceed WHQS and</li> <li>- the investment needed to increase the housing stock.</li> </ul> <p><b>1.2</b> The Council, through its HRA, owns and manages 3,805 properties and just over 700 garages, across the Island.</p>

**1.3** The HRA Business Plan (Appendix 1) contributes to all the fundamental themes within the Council's Corporate Plan. The main contribution is to the themes of Transforming Older Adult Social Care, Increasing our Housing Options and Reducing Poverty and Regenerating our Communities and Developing the Economy.

**1.4** As part of the Voluntary Agreement signed by the Local Authorities with the Welsh Government, borrowing headroom of £13.482m as at June 2015 was negotiated and agreed. This will allow for new build and maintaining the Welsh Housing Quality Standards.

It is anticipated that we will have reached our borrowing cap by 2023/24.

**1.5** The HRA continues to be ring-fenced for the Council's Landlord functions which relate to the Council's housing stock. The ring-fencing of the account means that the Council may not subsidise council housing from the general fund.

## **2.0 Welsh Housing Quality Standard (WHQS)**

**2.1** The Council has achieved WHQS since 2012, we were the second Authority in Wales to achieve this standard.

The Welsh Housing Quality Standard states that all households should have the opportunity to live in good quality homes that are:

- In a good state of repair.
- Safe and secure.
- Adequately heated, fuel efficient and well insulated.
- Contain up-to-date kitchens and bathrooms.
- Well managed.
- Located in attractive and safe environments.
- As far as possible suit the specific requirements of the household, (e.g. specific disabilities).

## **3.0 Capital Programme 2018-2019**

**3.1** Capital programme has been estimated at £13.188m has been included within the Business Plan. This includes provision for £7m internal / external works, fire risk works, asbestos, disabled adaptations and energy efficiency works. The budget also allows for achieving full WHQS compliance by targeting acceptable fails, environmental etc see Appendix 3 for more details.

**3.2** A provision of £3.869m has been included within the revenue budget for repairs and maintenance works.

**3.3** In addition £6.188m has been budgeted for in 2018-2019 for the development programme of new Council housing and acquisition of former council housing on the Island. The Business Plan assumes a development programme of 45 units in 2018-2019, following this 60 units in 2019-2020, 60 units in 2020-2021 and 100 units during 2021-2022 which includes 40 Extra Care Housing units in the Seiriol area.

## **4.0 Financial Model and Assumptions**

4.1 The HRA Business Plan must be supported by a 30 year financial model and is detailed in chapter 7.

The Business Plan is accompanied by a sensitivity analysis, which demonstrates the robustness of the plan. These are based on key assumptions and parameters set by Welsh Government, and predict the resources available and required to maintain WHQS and capacity for new build, and aims to provide assurances on the long term sustainability of the HRA.

The Social Housing Rents Policy was introduced by Welsh Government in April 2015 for local authorities and is in place for a five year period. The policy aims to achieve rent convergence between Council and Housing Association rents over time. It is anticipated that we as a Council will reach rent convergence with Housing Association rent levels by 2023 – 2024.

4.2 Rental income and local rent setting policy are major factors in the future viability of the Business Plan. Welsh social rent policy is devolved from the United Kingdom Government and currently increased based on the published CPI inflation published annually for September plus 1.5% and up to £2 per week towards reaching rent convergence. However, the UK Government has forced social landlords in England to reduce social rents by 1% for each of the next four years.

This is one of the main risks for the Business Plan for the future.

4.3 A further risk to the viability of the Business Plan is the roll-out of Universal Credit, which is due to commence in Anglesey in June 2018. The Business Plan demonstrates the actions we intend to take with partner organisations to support both current and future Tenants to mitigate the effects on the income collected.

4.4 The business plan has been stress tested to take account of the risks both individually and together and that the business plan remains viable over the 30 years.

4.5 Following exit from HRAS, all rental income is now retained by the Council, in the HRA, and is used to cover expenditure, service debt and for investment in services and additional homes.

The next 5 year capital and revenue budget is included with this Report in Appendix 2.

4.6 Welsh Government has provided details of the rent increase for 2018-2019 which was a total of 4.5% together with up to £2 per week for properties which have a low rent than the target rent level. The Executive Committee approved the rent increases for 2018/19 during their meeting on the 19<sup>th</sup> of February. This increase has been included within the budgeted rental income for 2018/19.

**B – What other options did you consider and why did you reject them and/or opt for this option?**

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**C – Why is this a decision for the Executive?**

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**CH – Is this decision consistent with policy approved by the full Council?**

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**D – Is this decision within the budget approved by the Council?**

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<b>DD – Who did you consult?</b>		<b>What did they say?</b>
<b>1</b>	<b>Chief Executive / Senior Leadership Team (SLT)</b> (mandatory)	Business Plan fully endorsed by the SLT.
<b>2</b>	<b>Finance / Section 151</b> (mandatory)	S151 Officer is satisfied that the business plan assumptions are reasonable and comply to the published WG guidelines and that the business plan is viable and reflects the current financial situation facing the HRA.
<b>3</b>	<b>Legal / Monitoring Officer</b> (mandatory)	No comments.
<b>4</b>	<b>Human Resources (HR)</b>	
<b>5</b>	<b>Property</b>	
<b>6</b>	<b>Information Communication Technology (ICT)</b>	
<b>7</b>	<b>Scrutiny</b>	
<b>8</b>	<b>Local Members</b>	
<b>9</b>	<b>Any external bodies / other/s</b>	

**E – Risks and any mitigation (if relevant)**

<b>1</b>	<b>Economic</b>	
<b>2</b>	<b>Anti-poverty</b>	All Council Housing households benefit from WHQS,

		capital programme and support to prepare for welfare reform changes.
3	<b>Crime and Disorder</b>	
4	<b>Environmental</b>	
5	<b>Equalities</b>	
6	<b>Outcome Agreements</b>	
7	<b>Other</b>	

**F - Appendices:**

Appendix 1 - HRA Business Plan 2018-2048  
Appendix 2 – 5 year Capital and revenue budget 2018 – 2023  
Appendix 3 – Capital programme 2018-2019

**FF - Background papers (please contact the author of the Report for any further information):**

Stock Condition Survey Report, 2017



# HOUSING REVENUE ACCOUNT BUSINESS PLAN

2018 - 2048



**CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL**



Llywodraeth Cymru  
Welsh Government

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## 1.0 Introduction

The aim of the Housing Revenue Account Business Plan, which will be referred to in the document as the HRA, is to plan ahead to ensure that a financially viable plan is in place for our Council Housing stock of 3805 units (as at the end of December 2017).

First and foremost, the Business Plan clearly sets out our direction and priorities for the next 5 year period, whilst being mindful of the impacts our short term decisions in the middle and long term. Our aim over the next 5 years is to continue to provide a quality, cost effective and continuously improving service, by working closer with our tenants, communities and development partners.

The HRA finances all of the Council's operations in its role as the landlord of the housing stock. This includes maintaining the housing stock, capital work and environmental improvements, maximising rental income, estate management and anti-social behaviour, maximising Tenant participation to influence our priorities, together with increasing our housing stock in order to contribute towards meeting the need for social housing on the Island.

The Council will continue to maintain a statutory, ring fenced HRA and account for income and expenditure on council housing separately from Council Fund income and expenditure.

The Business Plan confirms the Council's commitment to

- maintaining Welsh Housing Quality Standards and tackling 'acceptable fails',
- tackling areas where performance and service outcomes need to be improved, driving further service improvement for our Tenants,
- delivering services for our Tenants which offer value for money, during a period of increasing reductions in public spending,
- increasing accountability through increased engagement of staff, the Senior Leadership Team, Elected Members and key stakeholders,
- ensuring that there is adequate provision to best mitigate some of the potential impacts of Welfare Reform on the local communities, by giving them the tools to help themselves rather than creating a dependency culture, and
- delivering our development programme for new build Council homes.



It complies with the Welsh Government's Business Planning Requirements for the self-funding regime for Local Authority Housing Revenue Accounts issued in January 2016.

Through reading the Plan you will gain assurance that the HRA is being managed efficiently and effectively.

## **Service Vision**

Our Vision is:

### ***Quality homes : sustainable communities***

which is based on our service values that underpin our work and drive the delivery of our services, as follows:-

- ♣ to be customer focused and accountable
- ♣ to provide value for money
- ♣ to be committed to working in partnership
- ♣ to be innovative in our approach

### **Our Priorities will be:**

- Estate regeneration;
- New build, increasing the provision of affordable housing;
- Accommodation for specific groups, for example older people, people with mental health issues;
- Addressing the energy efficiency / fuel poverty agenda.

These priorities have been the subject of consultation with our Tenants and Elected Members.

The Plan has been presented to The Council's Executive Committee, the Senior Leadership Team and the Housing Services Board. The Council's Section 151 Officer has been involved in the process of developing the Plan.

The Plan aims to provide confidence to funders, tenants and Elected Members that HRA resources and services are managed efficiently and effectively.

Further information on all aspects of this plan is available from the Head of Housing Services, Isle of Anglesey County Council, Council Offices, Llangefni, Anglesey, LL77 7TW. E-mail [Housing@anglesey.gov.uk](mailto:Housing@anglesey.gov.uk)

## **Planning for the future**

Housing continues to be a priority for the Council in terms of “Place Shaping” and increasing the supply of quality housing. A Housing Services Board has been established which has representatives from the highest level across the Senior Leadership Team and Elected Members

We will consult appropriately with other Services and report regularly to the Housing Services Board and the Land and Asset Group in relation to any new council housing development opportunities. We will select new council housing development sites in conjunction with the Land and Assets Group as a key part of delivering our Place Shaping Strategy.

There is certainly greater emphasis of the Housing Act (Wales) 2014, the Social Services and Wellbeing Act 2015, the Wellbeing of Future Generations Act 2015, preventative work and outcomes focusing on wellbeing and which promote independence for the customer. Over time the linkages between the three Acts will become clearer through the joint planning of services. Housing is undoubtedly pivotal to achieving the outcomes of the three Acts.

Welsh Government has announced an ambitious target of providing 20,000 affordable homes during its next term. The Council has a crucial role to play in contributing towards this target. This is highlighted in the pact that the Welsh Local Government Association, Welsh Government and Local Authorities have all signed up to as a means of ensuring that this target is achievable.

## **The Economy**

Uniquely to Anglesey, plans are being made for the UK’s largest economic scheme, namely the construction of the Wylfa Newydd nuclear power plant. There could be up to 8,000 contractors being employed (confirmation from Horizon Nuclear Power is awaited), and we will have to ensure that we plan carefully by utilising the financial resources available to increase the Council’s housing stock and by working with others to mitigate the impacts on the most vulnerable households in our communities and on the local housing market. As a result, in appendix 1 we model various scenarios for an increase in our new build programme during the next 5 years compared to our previous Plan.

## **The Local Housing Market**

A recent report on the North Wales Population Assessment demonstrates that we have a role in providing suitable housing for those who are vulnerable in our society. The gaps identified are:

- Lack of single person accommodation
- Limited hostel provision
- Shortage of specialist provision for individuals with ongoing medical conditions
- Gaps in support services

### **Strategic Objectives**

Housing plays a very important role in the Council's Corporate Plan and contributes to many of its objectives.

- Through building new houses and improving our existing stock we will create an impact locally and deliver community benefits.
- Extra Care Housing provision in the Seiriol area will ensure that older people are supported to live independently within their communities.
- We will provide opportunities for tenants to participate in improving services and give people the skills and confidence to be able to participate in their communities by establishing tenant participation groups.

Two Strategies will aid in delivering these objectives, namely the Housing Strategy and the Local Participation Strategy. These strategies set out how we will work together to provide a supply of affordable housing and how tenants can get involved.

### **The Strategic Context and Links with other Plans**

Developing our landlord services and increasing our housing stock continue to be strategic priorities for the Council, as demonstrated within the key strategic documents.

In addition to the Corporate Plan, evidence of this can be seen within the Transformation Plan, the Council's Asset Management strategy, the Treasury Management Strategy, the Joint Local Development Plan, the Vibrant and Viable Places Programme, the Corporate ICT Strategy and individual Service Plans.

### **Links with the Council's Local Housing Strategy for 2014 - 2019**

This Strategy sets out the Council's objectives for all housing tenures on the island to best meet identified housing need and to ensure high housing standards for all citizens. The HRA Business Plan is one important means of delivering these overall objectives and there will be close linkages between the two documents.

The Council's various documents can be viewed on the Council's website:

[www.anglesey.gov.uk](http://www.anglesey.gov.uk)

## **2.0 Business Plan objectives**

**2.1** As a landlord we want our tenants to live in good quality, affordable and energy efficient accommodation in safe and sustainable communities.

Housing makes an important contribution to our aim of reducing poverty and inequality in our communities. The Housing Department also has an important role to play in relation to the economy: building new homes and repairing existing homes generates jobs, apprenticeships and training opportunities.

Delivering consistently high quality and customer-focused services at reduced costs but which continue to meet performance expectations presents on-going challenges against a backdrop of increasing financial constraints.

We will continue to engage with our tenants to elicit their views about the services they want and how they want them to be delivered. We will involve them in work to improve services by reviewing and monitoring service standards. We will also make better use of customer feedback to drive further service improvement.

### **2.2 Our focus for 2017/2018 has been on :-**

- Working in preparation for Welfare Reform and Universal Credit changes across the Island during 2018/19 and which will impact upon a significant number of our tenants.
- Submitting a successful bid to the Welsh Government for Innovative Housing Grant funding to develop a modular housing scheme for single people under 35 in Holyhead.
- Starting our new council house building programme and purchasing 15 former council properties lost from the Council housing stock through right to buy legislation.
- Starting a "Single Point of Access" service for all housing and support services across the Island with over 200 individuals referred during the first 9 months of the service.
- During the year a great deal of work has been done to improve Performance Management procedures and processes for our service managers.
- As a Service we have made significant progress in relation to the implementation of the Council's Language Standards and our Language Champions won the Chief Executive's Award at the Staff Awards for their work on implementing the Language Standards.

- Following the adoption of an Anti-Social Behaviour Policy, we have addressed and resolved acute anti-social behaviour problems on two estates in particular during the year to improve the living environment for tenants on those specific estates.
- Continuing to invest significantly on external work and environmental improvements to estates in aiming to achieve the standards of WHQS+.
- During the year, the Wales Audit Office conducted an audit on the delivery of the Welsh Housing Quality Standards.

### **2.3 Our Key Housing priorities over the next 2 years (2018/2020) are set out below:**

- In conjunction with the Corporate Land and Assets Group, increase the supply of Council housing on the Island through the launch of our Council Housing Development Programme which will include a combination of new build on Council land and design and build packages with private developers and buying back former Council properties.
- We will agree the project plan for the development of the third Extra Care Housing Scheme on the Island that will be built in the Seiriol area and developed through the Housing Revenue Account.
- In conjunction with Children's Services, we will look at establishing 2 Group Homes on the Island during 18/19.
- Following the remodelling of the Llawr y Dref Scheme, moving forward with the new look scheme that will include 3 specialist units for Adult Services in order to assess the ability of individuals who are ready to move on from 24 hour support to live more independently.
- Complete the outsourcing of the stores function for our Housing Maintenance Unit in Gaerwen.
- Preparing for the significant changes as a result of the Renting Homes (Wales) Act.
- During the year we will focus on improving preventative work in relation to the prevention of homelessness on the Island in accordance with the requirements of the Housing Act (Wales), 2014.
- We will undertake a local housing needs assessment and draw up our Local Housing Strategy for 2019 - 2024.
- Continuing to address units that do not meet the Welsh Housing Quality Standards as acceptable failures.
- Continuing to improve service provision in areas of poor performance and / or where the results of customer satisfaction surveys show the need to improve service outcomes, including improving void turnaround times.

## **2.4 Local Housing context**

### **Housing Need**

Information on Housing Need for the local authority is provided by the Local Housing Market Assessment (LHMA). The 2013 LHMA was updated in 2015 and the update approved by the Council in July 2016. The 2015 update identified that an additional 398 affordable dwellings are needed per year on Anglesey over the next 5 year period (including social housing and intermediate housing such as shared ownership and intermediate rental).

The LHMA does not take account of the possible impacts of Wylfa Newydd on the local housing market. Additional work is being undertaken by the Council in this respect.

## **2.5 The Common Housing Register**

The Housing Services maintains a Common Housing Register on behalf of the Ynys Môn Housing Partnership which includes our RSL (Registered Social Landlord) partners, namely Grŵp Cynefin, Pennaf and North Wales Housing.

In January 2018 the housing waiting list stands at :-

389 live applications currently on the housing register, 31 Urgent, 220 in Band 1, 2 in Band 2 and 132 in Band 3.

On an annual basis Housing Services allocates approximately 255 units of its housing stock and a further approximately 60 RSL (Registered Social Landlord) properties are allocated.

Our Registered Social Landlords are able to gain on-line access to the Housing Waiting List to enable them to access nominations for their properties as and when they become available.

We have developed an Accessible Housing Register for the purpose of recording details of all applicants who need adapted properties. The register will assist us to make the best use of our stock by identifying properties that have been adapted and the most suitable tenants for such properties as and when they become available.

## **2.6 Provision of suitable housing**

It is inevitable that certain areas will see a high demand for properties whilst other properties will be more difficult to let. This is compounded by the location and size of the Council's stock.

Further information on the geographical profile of the housing stock in terms of type and size can be viewed by accessing the following link:

<http://www.angleseyhousing.co.uk/index.php?section=information&option=areas>

## 2.7 Gaps in the Social Housing/Council Housing Provision

### An analysis of the waiting list compared to stock

The Isle of Anglesey County Council is the largest social landlord on Anglesey.

There are 4665 units of social housing on Anglesey. The percentage of stock owned by each landlord is as follows:

Landlord	Number of Units	Percentage of all Stock
Isle of Anglesey County Council	3805	81%
Grwp Cynefin	508	11%
North Wales Housing	121	3%
Clwyd Alyn	231	5%
<b>Total</b>	<b>4665</b>	<b>100%</b>

The following is an analysis of the Council's stock compared to the register of one bedroom social housing.

Age Restricted	Percentage	Non age Restricted	Percentage	Total Units
1421	37%	2364	63%	3804

1 Bed	% of Stock	% on waiting list	2 Bed	% of Stock	% on waiting list	3 Bed	% of Stock	% on waiting list	4 Bed	% of Stock	% on waiting list
715	19%	54%	1348	35%	33%	1666	44%	5%	62	2%	5%

The table demonstrates a substantial mismatch between the percentages on the waiting list needing 1 bed accommodation and 3 bed accommodation compared to the profile of the stock owned by the Council.

### 3.0 Business Plan Analysis

As at 31 January 2018 the Council had a stock of 3,805 dwellings and 766 garages.

Council Housing Stock	2016/17	2017/18	Purchased during 2016/17 but yet to be allocated
1 bed flats	319	320	1
2 bed flats	400	405	5
3 bed flats	16	16	
1 bed house / bungalow	397	397	
2 bed house / bungalow	937	943	6
3 bed house / bungalow	1637	1647	10
4/6 bed house / bungalow	78	77	-1
TOTAL	3784	3805	21

#### Stock Valuation

Housing stock is recorded within the Authority's accounts on a historical cost basis with a valuation being undertaken every 5 years in accordance with the Authority's policies and procedures. The next valuation will be undertaken in 2018/19.

### 3.1 Delivery of Housing Management Services

#### 3.1.1 Tenant Participation

The 2018-23 Tenant Participation Strategy will continue to be monitored quarterly by reviewing the annual Action Plan at the Môt Tenants and Officers Voice (MTOV) meetings.

MTOV meetings are also an opportunity to make changes to the Action Plan to ensure that tenant participation activities still reflect the continually changing business needs and priorities.

The 2017/18 work programme has focused on the key areas below:



- Ensuring that tenants play an active role in the development, delivery and monitoring of housing services.
- Ensuring that tenant participation activities represent the wider body of tenants by offering a wide range of participation activities at different levels.
- Working in partnership with external agencies to increase the number of participation activities available to tenants and to achieve the best outcomes through sharing resources and skills.
- Developing initiatives to help raise awareness of Universal Credit and to prepare tenants that will be affected.
- Reducing digital exclusion and fuel poverty.
- Improving communication with tenants and officers.
- Working with tenants to develop their skills, knowledge and confidence

### **3.1.2 Successful outcomes of Tenant Participation**

The key achievements of Tenant Participation during the period 2015-18 include the following:

- Funded environmental projects via the Environmental and Community Improvement Fund at a total cost of £7,000. This has improved customer satisfaction and as a result tenants (from the 7 areas) now feel safe and proud of where they live.
- Estate clean up days were held in 22 of the estates. These events were arranged by the Housing Service and in partnership with our tenants, North Wales Police and Keep Wales Tidy in order to improve the environment of our housing and estates.
- In addition to the environmental projects mentioned above, the TP team worked in partnership with external agencies to carry out the following:
  - 12 Housing/Police surgeries.
  - 3 Family fun days to promote tenant engagement
  - 4 Rural Roadshows to highlight Universal Credit and the upcoming changes.

The above projects have strengthened partnership arrangements with local partners operating in the area which has increased opportunities to share skills and resources.

- Supported 6 Tenant and Resident groups to work with their communities and influence service improvements.
- Implemented recommendations of an audit carried out by tenants on customer care levels in the housing department.

- Started a young family group in Llannerch-y-medd which is now self-supporting.
- Worked more closely with several local community groups and conveyed the viewpoints / focus of our tenants to them. This means that wide ranging and exciting ideas from our communities are considered within our new strategy and our departmental procedures.
- Attended TPAS Cymru's annual conference in 2017 with tenants to see how we can do things differently.
- Wider housing department developments within APPMon to improve access and future communication with tenants
- Created an action plan with tenants to raise awareness of Universal Credit that is now rolled out across the Island. Started a 'Bring a Tin a Month' campaign amongst public sector staff to increase food stock levels in our food banks
- Much more focus on the welfare and health of our families, including people living in rural areas. This included a number of beach clean up days and family fun days in conjunction with Children's Services.
- Assisted tenants who are participating at a strategic level to attend the TPAS Cymru Tenants Open Network conference and training events and the Wales Tenants Federation conference which has helped improve their skills, confidence and knowledge.
- Held 3 quarterly Sheltered Housing Forums attracting between 50 and 100 tenants at each forum. This has supported the TP team to work towards meeting the requirements of the Social Services and Wellbeing Act 2016 by reducing loneliness and isolation among elderly tenants. The forums are also an opportunity to improve access to information for tenants living within sheltered housing schemes.
- Developed 2 tenant newsletters (Llais Môn) which has helped to improve communication with tenants.
- Attracted funding from the Welsh Government for the Maes William Williams VC estate in Amlwch to improve the communal lounge. Capital work is ongoing and will provide opportunities for tenants and the community to spend their leisure time enjoying different events and sessions to improve their health and wellbeing and to feel less isolated.
- Developed skills and digital networks for Anglesey residents and planning to buy 8 information technology kiosks.

- Successfully recruited an additional Tenant Participation Officer, which brings us to two full time officers. This will reflect positively on our many objectives within the coming year.
- A homelessness forum was held aimed at young homeless people . Learned, improved and grew our services for young people facing homelessness.
- Held a Mental Health training session for MTOV tenants.
- Supported a group of tenants in Llanfairpwll to attract private grant funding through Magnox and Horizon Nuclear Power to improve their local communal lounge by purchasing new resources and furniture.

**We have consulted with our tenants on the following:**

- Capital works at Maes William Williams VC
- Creating a new Tenant Participation strategy for 2018 – 2023
- Engaged with tenants, young people and elected members on developing an innovative housing scheme in Holyhead for young people
- Allocating Social Housing - update on changes
- Housing Options Questionnaire for under 35s
- Consultation on Gypsy and Traveller Sites.

**3.1.3 Enabling our tenants to pay their rent**

Rent is collectable through a variety of methods which include Direct Debit, Standing Orders, Paypoint, Post Offices, direct from salaries, debit card or credit card transactions over the telephone, automated touch tone, on-line payments.

We currently offer Direct Debit dates on any date of the month in preparation for Universal Credit. This will enable the tenants to pay their rent as and when they receive the Universal Credit payment. In excess of 1200 tenants pay by direct debit which is approximately 32% of our stock.

There has been an increase in the number of tenants paying by standing order and a new mobile app will be available to make payments through App Môn.

**3.1.4 Poverty and Social Inclusion**

**Welfare Reform**

Tenants tells us they wish the Housing Services to continue supporting them through changes in Welfare benefits. Rolling out of the Welfare Reform programme continues in Anglesey and it is expected that June 2018 will see the roll out of Universal Credit to all

benefit claimants on the island. This will mean a culture change for benefit claimants and in order to support our Tenants through the changes, we will:

- Be the first point of contact for advice and practical help for both existing and prospective Tenants;
- Provide pre-tenancy support and early identification of Tenants who may struggle to pay their rent on time;
- Provide targeted support and advice to Tenants who are directly impacted by the changes in Universal Credit, working closely with other agencies such as Môn CF, CAB, Shelter Cymru;
- Work closely with the DWP and Job Centre Plus on the roll-out of Universal Credit;
- Help Tenants maximise their income and manage their household budget;
- Provide a range of convenient payment options to make it easier for Tenants to pay their rent;
- Work with Registered Social Landlords and Digartref to plan and pilot initiatives which will help with accommodation and support for single people, in particular those under 35 years old who are affected by Welfare Reform.

### **Fuel poverty**

Fuel poverty (where more than 10% of household income is spent on fuel bills) continues to be a problem for many families. To assist our Tenants save money on their fuel bills, we will:

- Promote a range of initiatives to support our Tenants to tackle fuel poverty;
- Continue to roll-out schemes which improve the energy efficiency of our homes, aiming to increase the number of properties with an energy rating of over 65.

### **Supporting people into training, volunteering and work opportunities**

Supporting People into training, volunteering and work opportunities not only increases household income but also benefits the health and wellbeing of individuals and their families. There are a number of work opportunities on the Island and numerous initiatives are being developed to help support tenants and their families to take advantage of future training and work opportunities. To support our Tenants, we will:

- Support tenants who have been long-term unemployed into employment through programmes such as Communities for Work and Opus;
- Continue to work, develop and promote life-long learning opportunities with Coleg Llandrillo-Menai, Môn CF and Opus, where Tenants may wish to take up opportunities and support;
- Work with Job Centre Plus to maximise opportunities for employment;

### **Digital inclusion**

Our Tenants tell us that they would like us to do more to help them increase their digital skills and abilities. To do this, we will:

- Promote access for Tenants to the ‘My Home’ portal, to enable access to view their rent accounts, make payments, report and monitor progress on outstanding repairs;
- Attempt to discover which services our Tenants would like to access through the internet;
- Work with colleagues in our Information and Technology Service, to roll-out the Council’s digital strategy, and invest in wi-fi facilities across all our communal lounges over the next 12-18 months.

### 3.1.5 Rent Levels

Based on the revised ‘target rent’ in Welsh Government policy on Social Housing Rents, the Isle of Anglesey County Council’s target rents for each type of property for 2018/19 are -

Type of Property	Target Rent for 2018/19
Bedsits	£68.60
1 Bedroom Flat	£77.18
2 Bedroom Flat	£85.75
3 Bedroom Flat	£94.33
4 Bedroom Flat	£102.90
1 Bedroom House	£85.30
2 Bedroom House	£94.78
3 Bedroom House	£104.26
4 Bedroom House	£113.73
5+ Bedroom House	£123.21

Using the above figures, there are 3,786 properties below the target rent and 19 above target rent. This is a total of 99.5% and 0.5% respectively of our stock.

In order to achieve the current target rent figures, the Council proposes to increase the rent by a formula of CPI + 1.5% + £2 per week for all properties under target rent and this will be accomplished by approximately 2023/24.

### 3.1.6 Public Sector Adaptations

The budget includes a sum of £350k for major adaptations for people with disabilities. Typical works include the installation of stair lifts, provision of level access showers and extensions.

Minor adaptations such as handrails will continue to be funded via the revenue budget. The Housing Services also deliver the Enable grant on behalf of Welsh Government.

### **3.1.7 Safeguarding**

Government legislation places a duty on all organisations to promote safeguarding. As Anglesey County Council staff, we have an important role to play in promoting the wellbeing and safeguarding of children and adults deemed to be either 'vulnerable' or at risk' within our communities, irrespective of our individual roles.

Staff have attended safeguarding training and completed a test on the Domestic Abuse Policy.

### **3.1.8 Supporting People Single Point of Access**

A Supporting People Single Point of Access / Gateway Officer post has been established in 2017 to receive Supporting People referrals. The process has:

- Led to a shift in the how the referral process is managed which is currently the responsibility of SP providers on Anglesey
- Facilitated easier and improved access to services for our most vulnerable service users;
- Provided a more robust management tool to improve monitoring of service providers;
- Facilitated and improved communication and working practices between the Supporting People and Housing Options teams and the Social Services Single Point of Access Team;
- Ensured a more strategic approach to the development of sustainable services and housing solutions and that the Supporting People Programme responds to current and emerging needs;

### **3.1.9 Floating Supporting**

Following discussions with housing related support providers and stakeholders, it has emerged that a number of people who have presented with needs, remain vulnerable following the cessation of their period of support. A period of support can last for up to two years, and could include periods in hostels, refuges, supported housing, move-on accommodation and or floating support, or a combination of any of the aforementioned types of accommodation. Providers are of the opinion that their time and effort in delivering the support is undervalued, and that the cessation of support does not always demonstrate best use of Supporting People funding.

It is recognised that some people will require regular short-term intervention at sporadic periods in their lives. The people most likely to benefit from such a service would be those with learning difficulties who do not meet the statutory criteria for learning disability registration, low level mental health needs, such as anxiety and

early signs of depression, older people who are isolated, and those with chaotic tendencies across service areas. Without the required early intervention such problems may result in budgeting issues, debt management problems or rent arrears across council, housing association and private sector tenancies. It is intended to commission this service early in 2018.

### **3.1.10 The key drivers for the Repairs & Maintenance Service**

Over the past few years the emphasis has been on transforming how the repairs and maintenance service is delivered and this has been achieved by:

- Ensuring assets are maintained in a more efficient, planned, sustainable and affordable manner
- Delivering a cost effective repairs and maintenance service with a 'right first time' ethos
- Ensuring homes are maintained to a high standard and meet all statutory requirements
- Developing the performance management framework for the repairs service to deliver real outcomes for customers
- Establishing an appointment based maintenance service

## **4.0 Asset Management**

### **4.1.1 WHQS Compliance and the Investment Strategy**

The Isle of Anglesey County Council was the one of the first Authorities to satisfy the WHQS standards back in 2012. "Better Homes for People in Wales" states that the Welsh Government's vision is that "all households in Wales ... shall have the opportunity to live in good quality dwellings that are" :-

- Part 1: In a good state of repair
- Part 2: Safe and secure
- Part 3: Adequately heated, fuel efficient and well insulated
- Part 4: Contain up to date kitchens and bathrooms
- Part 5: Are well managed (for rented housing)
- Part 6: Located in attractive and safe environments
- Part 7: As far as possible meet the specific needs of the household (e.g. specific disabilities)

Life cycles of key components allowed for within our 30 year cost projections include:

- Kitchen – 15 years
- Bathroom – 25 years
- Boilers – 15 years

- Radiators – 25 years
- Full re-wire – 25 years

We are satisfied that, wherever practicable, all properties meet WHQS with the exception of refusals or those satisfying acceptable fail criteria. Improvement works on past refusals are automatically carried out at Change of Tenancy. We can only consider recording an acceptable fail if the cost of remedy was not economically viable.

The following table confirms our current position in connection with the replacement of key elements:

<b>Element</b>	<b>Total included on original scoping survey</b>	<b>Total carried out during the WHQS (October 2008 – December 2012)</b>	<b>Completed at time of Changing Tenancy (January 2013 – July 2017)</b>	<b>Tenants Refusal (acceptable failure)</b>	<b>Total of properties not identified for renewal work</b>
<b>Kitchen</b>	3073	3123	293	207	150
<b>Total number of bathrooms / Level access showers</b>	2271	3071	260	131	311
<b>Re-wiring</b>	1543	2728	295	106	644

#### **4.1.2 Wales Audit Office (WAO)**

During the Summer of 2017, confirmation was received that WAO would be conducting an audit to decide if we have effective arrangements in place to be able to continue to meet WHQS standards.

An audit was held by reviewing documents, interviewing Councillors and Officers, and conducting door to door interviews with a proportion of our tenants. A variety of documents and information was sent to WAO for review before the site visit. The information included key documents such as the latest 30 year draft Business Plan, our WHQS Compliance Policy and the draft Asset Management Strategy which have since been adopted. In addition, WAO were given access to documents/databases which gave detailed information regarding all capital investment activities undertaken by the Housing Services.



During the audit, WAO focused amongst other things, on the following issues:

- Has the Council collected detailed information regarding the quality of its stock
- Does the Council have a stock maintenance programme
- Does the council monitor acceptable fails and attempt to reduce numbers in this category.
- Is the WHQS investment having a positive effect on the lives of housing stock residents.

Wales Audit Office's Report is expected before the end of March 2018.

#### 4.1.3 Capital Investment Programme

In the Planned Maintenance Programme for 2018/19 shown in the table below which is valued at £13.188m, the capital resources incorporated in the Business Plan have been earmarked. The overall budget will include provision for commitment and slippage carried forward from the approved budget for 2017/18. The total budget including the commitment is £10,185m. The programme is underpinned by independently collected stock condition data and will contribute towards our Housing Management Strategy and the Corporate Asset Management Strategy.

This Public Sector Investment Programme forms part of the Corporate Capital Plan for 2018/19. In principle, it will adopt the same annual capital bidding process as the Corporate Capital Plan, with delegated authority granted to the Housing Services Board to prioritise and financially evaluate individual schemes.

<i>Scheme</i>	<b>2018/19 (£ '000)</b>	<b>2019/20 (£ '000)</b>	<b>2020/21 (£ '000)</b>
<i>Internal WHQS Works &amp; Asbestos</i>	1,000	500	500
<i>Commitments on current contracts</i>	1,000		
<i>Traditional Maintenance Programme</i>	2,450	2,146	3,426
<i>Fire Risk Management</i>	200	100	100
<i>Central Heating Works</i>	500	250	250
<i>Environmental Works</i>	500	250	250
<i>Energy Performance Work</i>	1,000	1,000	
<i>New Build</i>	6,188	8,614	13,637
<i>Public Sector Adaptations</i>	350	250	250
	<b>13,188</b>	<b>13,110</b>	<b>18,413</b>
<b>Financing:</b>	<b>2018/19 (£ '000)</b>	<b>2019/20 (£ '000)</b>	<b>2020/21 (£ '000)</b>

<i>Major Repair Allowance</i>	2,660	2,660	2,660
<i>Revenue Contribution</i>	9,528	9,450	9,471
<i>Commitments Carried Forward</i>			
<i>Borrowing</i>	1,000	1,000	6,300
	<b>13,188</b>	<b>13,110</b>	<b>18,413</b>

#### 4.1.4 Internal Investment Plan

The budget allocates the sum of £1,000,000 in order to tackle WHQS refusals, capital elements upgraded at change of tenancy and for the continued replacement of kitchens, bathrooms and re-wiring systems as they reach the end of their life cycles.

This sum is a higher allocation than usual as the Housing Service has been proactively contacting tenants who have refused work in the past. As a result, an agreement for replacing a number of kitchens, bathrooms and re-wiring systems are part of the investment plan for 2018/19. This work will have a positive effect on the number of acceptable fails reported to Welsh Government.

This budget will also be utilised for the continued management of asbestos within the housing stock or, where appropriate, the removal of asbestos containing materials.

#### 4.1.5 Central Heating Works

During 2016/17 we commenced a boiler replacement programme to upgrade our older and increasingly unreliable heating boilers.

As part of the works a survey of the existing heating system will be undertaken and if new radiators are required, they will be replaced as part of the boiler renewal programme. This will allow us to ensure that the systems installed are fit for purpose, of the correct size and are as efficient as possible for our tenants. Once completed, we will expect to see a reduction in the call our costs for our heating engineers.

For 2018-19, we have allocated a budget of £500k to continue with this programme and we will attempt to replace approximately 250 gas boiler.

#### 4.1.6 Fire Risk Management

To ensure continued compliance with the Regulatory Fire Reform Order 2005 we have allocated the sum of £200k towards upgrading and/or renewal of fire-fighting equipment and fire detection systems to comply with fire risk assessments. During 2017-18 our specialist contractor undertook fire risk assessments which will inform expenditure plans for 2018-19

#### **4.1.7 Traditional External Planned Maintenance which has been programmed**

The total budget allocated for traditional Planned Maintenance work is £2.450m. The Housing Service expects that a minimum of 3 contracts will be awarded during 2018/19 which will involve over 100 properties.

Procurement of schemes valued at over £500k will continue to support the Welsh Government's Procurement Policy Statement and the impact on the local economy will be measured via the Value Wales Community Benefit Tool.

The Housing Service's aim is that the above contracts and procurement strategy will afford local contractors every opportunity to bid for capital investment works. The service is committed to maximising the money it spends within the local community and by doing so promoting social, economic and environmental well-being. By using Value Wales we expect our contractors to deliver some of the following community benefits:-

- Work experience by working with Môn Communities First and Coleg Menai Llandrillo
- Employment of local labour
- Local apprentices/Trainees
- Opportunities for SME's
- Using local supply chains

The general scope of the work undertaken or currently on site typically involves re-roofing, the application of an insulated render system, replacement windows and doors where appropriate, external works to include paths, fencing and boundary walls. Dwellings which are not on the mains gas network also benefit, wherever practical, from the installation of Solar PV systems.

Home improvements in all the schemes mentioned above will significantly improve the comfort and appearance of the homes and, where applicable, make them more affordable to heat. Traditional external planned maintenance will continue to form the basis of our capital investment plans going forward.

<b>Contract</b>	<b>Number of Properties</b>	<b>Estimate of Value</b>
Maes Machraeth, Llanfachraeth a Maes Garnedd, Tregede	29	1,180

Treseifion Flats, Holyhead (Phase 2)	50	780
Waun Dirion, Benllech	21	490  (+ any slippage from the 2017/18 budget)
	100	2,450

#### 4.1.8 Adaptation Work in the Public Sector

The proposed budget includes a sum of £350k for considerable adaptation work for the disabled. Typical examples of the work include installing stair lifts, entry level showers and extensions.

#### 4.1.9 Energy Performance Work

Following the visit of Wales Audit Office during October 2017, an Implementation Plan was developed to tackle acceptable fails in relation to energy performance. The Energy Score determined as a target for conforming with the WHQS under the Standard Assessment Practice (SAP) is 65.

Following an audit of a representative sample of 20% of the stock in 2013, confirmation was received that 726 of our dwellings did not meet the energy score of 65. On this basis, we are reporting on acceptable fails in this category to Welsh Government.

Considering the work previously completed and the improved energy ratings in those dwellings where their energy performance was re-measured, we are confident that the majority of our properties serviced by mains gas or oil central heating have an energy score of 65 or higher. In order to check this statement, we intend to re-assess all properties where there was “acceptable failure” in this category during 2018/19. Any properties where their score is still under 65 will be individually assessed to decide if further work would be practical or economically viable.

The Implementation Plan earmarks £1.0m a year over two years and in light of the above we will be focusing on renewable energy investments in properties serviced by LPG heating systems or Electric storage heaters, usually Economy 7 or Economy 10.

During 2018/19, the intention is to target 229 properties serviced by LPG heating systems and to install Solar PV systems. On average, it is property in this category which has the lowest SAP score within our housing stock. It should be noted that most of these properties are bungalows on sheltered housing estates or properties which have been designated specifically for pensioners.

#### **4.1.10 Environmental Works**

The WHQS Environmental Standard requires homes to be located in “attractive and safe environments to which residents can relate and in which they can be proud to live.”

In order to deliver environmental improvements, we will continue to fund the Environmental and Community Improvement Fund whereby tenants are invited to submit applications for funding towards community improvements of their choice. There were 17 successful applications during 2017/18.

A total of £500k is allocated towards environmental improvements in 2018/19. A significant proportion of this budget will be utilised to commence a 3 year programme involving the demolition of 202 garages which are no longer viable to maintain. This programme will deliver environmental improvements in connection with parking, improving safety and generally improving the visual appearance of specific area.

#### **4.2 Council House Building Programme**

By now, a Housing Development Manager has been appointed with responsibility for delivering the development programme and achieving the targets which have been set with regard to building new houses. The Authority’s Council House Development Programme for 2018-2022 includes targets to increase the housing stock by 265 units over the next 3 years.

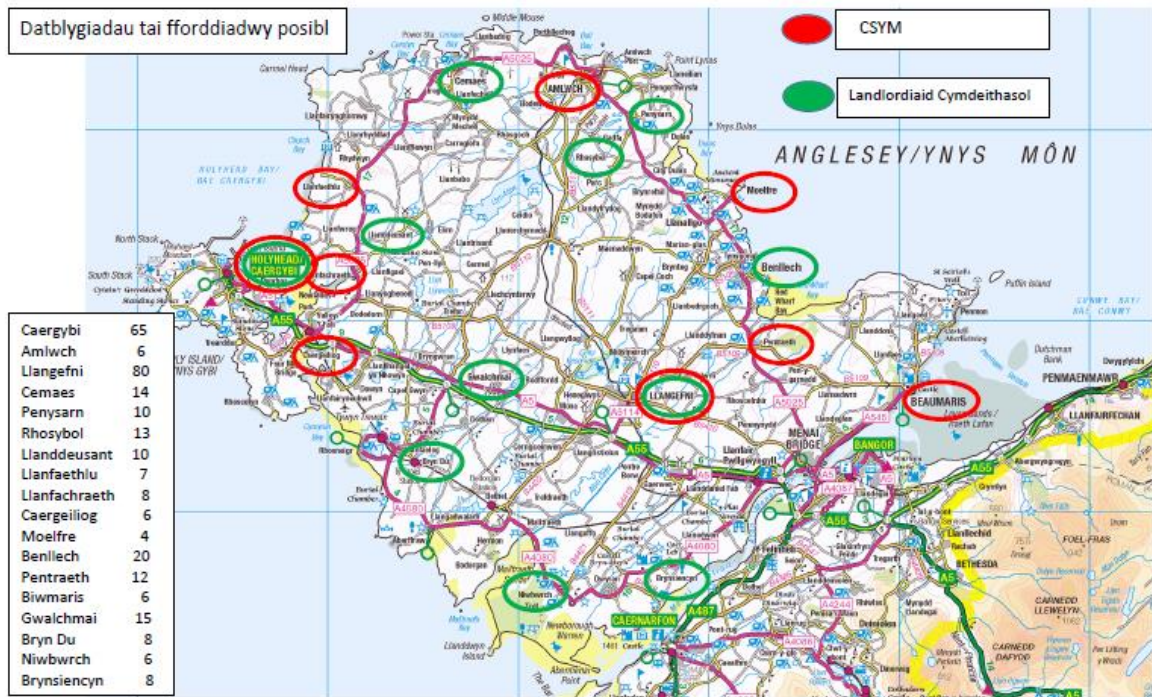
Even though we have set targets to start building houses during 2017/18, no work has commenced on any units. However, it was a busy year as regards identifying suitable land within the Authority’s ownership and discussing possible sites with developers. During the year, we drew up new processes and procedures to be followed when building new houses and ensued that these procedures are approved by various departments within the Council. We are now in a position to commence work on the development programme.

Our intention is to launch the Council House Development Programme in April 2018 and to invite developers and landowners who are interested in working with the Council to contact us.

The map below highlights those areas where opportunities to develop new council houses have been identified and where we have already received planning permission and have been successful in gaining a grant from the Welsh

Government's Innovative Housing Programme for 4 'modular' units for young people in Holyhead.

Also, a full planning application has been presented for a 6 further units in Holyhead and we are currently working on sites in Llanfaethlu, Llanfachraeth, Caergeiliog, Amlwch and Moelfre. The map below shows the various locations for developments.



During 2018/19 we have plans to start developing 45 units as well as plans to purchase 20 ex-Council properties. The acquisition of 10 ex-council properties was completed in 2017/18, properties that were previously sold through the right to buy scheme.

Our revised council house building programme for the next three years will be:-

Year	Total
2018/19	45
2019/20	60
2020/21	60
Total	165

As a result of the increase in our development programme we will be utilizing a proportion of the HRA borrowing cap which is approximately £13m within the first 3 years. The 30 year plan envisages full utilization of the cap.

The Welsh Government's Innovative Finance Team have announced that the second round of the Housing Finance Grant programme will be available from April 2017 and that stock retaining local authorities will have access to this source of Grant funding from April 2018 which will possibly contribute towards funding our development programme.

## **5.1 Monitoring and Evaluation**

### **5.1.1 Performance Management 2017 / 2018**

A corporate approach is taken with regard to measuring quality of services and performance is reported on a quarterly basis through the Council's corporate performance scorecard and annually thereafter through its Annual Performance Report (APR). Both reports are scrutinised and challenged by Senior Officers and publicly through the Corporate Scrutiny Committee and the Executive / Council.

Service reviews take place twice a year and focus on their financial management (June) and their performance management (November).

The Housing Services Management Team monitor performance results quarterly against the targets set for the year.



## Key Performance Indicators – Housing Services

Indicators	2016-17	2017-18		Target 2017/18	Performance
	Result	Quarter 1	Quarter 3		
The total amount of rent arrears owed by current tenants as a percentage of the total rent collectable for the financial year for Permanent accommodation	2.37%	2.49% (£403,678.37)	1.85% (£295,365.13)	2.25%	↑
The total amount of rent arrears owed by former tenants as a percentage of the total rent collectable for the financial year for Permanent accommodation	1.46%	1.38% (£223,688.24)	1.54% (£245,161.68)	1.50%	↓
Average rent arrears when tenancies are terminated	£484.80	£459.03	£500.25	£500.00	↓
The average number of calendar days taken to let permanent accommodation units that can be let during the financial year.	38.4	26.7	25.8	33	↑
The average number of calendar days taken to let permanent accommodation units that can be let during the financial year (not including DTL).	28	19.3	17.7	23	↑
Number of houses re-let at the first opportunity.	66.30%	64.06%	70.05%	80.00%	↑
% of routine maintenance work completed within the timetable.	76.10%	76.90%	78.68%	95.00%	↑
% of tenants who are satisfied with reactive repairs	90.20%	89.58%	89.23%	92.00%	↓
% completed during one visit	98.00%	98.22%	99.30%	90.00%	↑
% of Homes with current CP12	100.00%	100.00%	100.00%	100%	↔
% of answered calls	94.90%	94.70%	94.20%	90%	↓
Average time to answer (seconds)	19secs	15	20secs	20secs	↓
Number of missed calls as a % of all calls.	5.10%	5.30%	5.80%	5%	↓
Average number of calendar days taken to provide Disabled Facilities Grants	238.8 (290.2)	221.7 (255.9)	181.4 (248.3)	200	↑

## 5.1.2 Benchmarking Performance and Costs

The table below provides a summary of our headline costs, performance and satisfaction measures for 2016/17. The quartile is our position in comparison to our peer group regarding these measures.

Note that we have provided Red, Amber and Green quartiles for measures regarding costs in this summary table for ease of interpretation.

Headline Measure	Our Result	Quartile	Our Result	Quartile	Trend
Cost Headlines	2015-16		2016-17		
Overheads as a % of adjusted turnover	7.69%	Upper	7.04%	Upper	↑
Total Cost per Property (CPP) of housing Management	£397	Upper	£497	Middle Lower	↓
Total CCP of Responsive Repairs and Void Works	£1,066	Middle Lower	£1,073	Lower	↓
Total CCP of Major Works & Cyclical Maintenance	£1,874	Middle Lower	£2,574	Lower	↓
Operational performance headlines					
Rent arrears of current tenants net of unpaid HB as % of rent due	3.0%	Middle Lower	2.4%	Middle Lower	↑
Average re-let time in days (standard re-lets)	45.6 days	Middle Lower	38.4 days	Middle Lower	↑
Rent loss due to empty properties (voids) as % rent due	1.56%	Middle Lower	1.19%	Middle Lower	↑
Average number of calendar days taken to complete repairs	17.62 days	Lower	12.26 days	Middle Lower	↑
percentage of properties with a valid gas safety certificate	100%	Upper	100%	Upper	↔
Staff turnover in the year %	10.3%	Middle Top	3.8%	Upper	↑
Sickness absence average working days/shifts lost per employee	13.9 days	Lower	9.4%	Median	↑
Satisfaction headlines (*)					
Satisfaction with the service provided (%)	84.0%	Median	84.0%	Median	↔
Satisfaction that views being listened to (%)	67.0%	Middle Lower	67.0%	Middle Lower	↔
Satisfaction with the repairs & maintenance service (%)	76.0%	Middle Lower	76.0%	Middle Lower	↔
Satisfaction with rent VFM (%)	69.0%	Lower	69.0%	Lower	↔
Satisfaction with quality of home (%)	80.0%	Middle Lower	80.0%	Middle Lower	↔
Satisfaction with neighbourhood (%)	91%	Upper	91%	Upper	↔

\* Satisfaction Figures for 2016-17 taken from STAR Survey undertaken in 2015-16

### **5.1.3 Employment Status of the Council's Tenants**

Information in relation to the profile of our tenants tells us that:

- 1065 of our tenants are retired
- 489 do not work as a result of long term illness or disability
- 352 are in receipt of benefits
- 2217 of our tenants say that they are Welsh and 1321 White British
- 2070 homes use English as their main language and 1559 use Welsh as their main language.
- 1131 households are single and 1045 are married

### **5.1.4 The Welsh Language**

There is a statutory requirement on Public Bodies in Wales to conform with the 2011 Welsh Language Measure and Welsh Language Standards in various situations such as:

- Supplying services
- Drawing up policies
- Implementing
- Promoting
- Record Keeping

The duties that derive from the standards mean that Anglesey County Council and other organisations should not treat the Welsh language less favourably than the English language. The use of Welsh should also be promoted and facilitated (to make it easier for people to use Welsh in their everyday lives).

The purpose of these standards is to:

- Explain clearly to establishments their duties in relation to the Welsh language
- Explain more clearly to Welsh speakers the services they can expect to receive in Welsh

- Ensure more consistency as regards Welsh services and to improve their quality

Anglesey County Council recently announced that it is intending to work towards being an administration which works predominantly through the medium of Welsh, while still respecting the need for bilingual provision where required.

The Council faces many challenges in order to be able to achieve this aim and the work is already progressing with a number of plans in place and monitoring, scrutiny and good practice meetings are held regularly. One of the plans which is being implemented is a pilot scheme within Housing Services to encourage staff to make more use of their written and spoken Welsh in the workplace. The Service has been implementing this Scheme since February 2017.

Without doubt, progress has been made within the service in relation to the use of the Welsh language. More staff that are either second language or learners are now more willing to communicate with colleagues in the office and in meetings than previously. Also, more Welsh speakers that were previously reluctant to write a report or even e-mail in Welsh are now doing so.

## **6.0 Risk Management**

### **6.1 Corporate Risk Register**

The Corporate Risk Register identifies those risks which could impact on the Council's ability to meet its corporate aims and objectives. It identifies the source and consequences of the risk, the likelihood of it materialising, the impact it may have, and any mitigating action deemed necessary to manage the risk. The Corporate Risk Register is reviewed at least quarterly annually and in the light of any significant changes.

### **6.2 Housing Risk Register**

All Officers have responsibility for identifying risks that threaten their area of activity. The Housing Management Team is responsible and accountable for assessing and managing the risks.

Risk Management is applied to each identified risk – and any new risks are entered on the Services' Risk Register. The main risks within the Housing Risk Register are included within the Council's Corporate Risk Register.

The Key Operational Risks in Housing are:-

- Rent restriction – as a result of what is happening in England with regard to rents
- Increase in inflation – resulting in increasing costs

- Local inflation in costs due to Wylfa Newydd
- Welfare Reform

The Business Plan has been stress tested to take into account of the individual and combined risks will remain viable throughout the 30 year period. (see appendix)

### **6.3 Housing Business Continuity Plan**

During 2015 / 2016, Housing Services produced a Business Continuity Plan which complements the Council's Corporate Business Plan. The Housing Business Continuity Plan explains what we would do if something serious happened in the Housing Services. For example:

- If the Council office buildings were badly damaged or if we were to lose a lot of staff, due to illness perhaps.
- Anticipated threats to service delivery (such as ICT, data management, severe weather, major fault on the careline or BT faults).
- The approach to be taken in the event of an E-bola outbreak, flu epidemic.
- Ways of minimising the threat / risk
- Disaster recovery and priorities
- Initial actions to be taken

This plan is reviewed regularly.

## **7 HRA Financial Plan**

### **7.1.1 Underlying Financial Assumptions**

Financial assumptions for the Business Plan are based on the following information

- Inflation is calculated using the Government's target rate of 2% per annum.
- It is assumed that expenditure on maintenance and new construction will increase by 1% above the inflation target each year, except between 2019/20 and 2025/26 (when Wylfa Newydd is expected to be built) when the expenditure is expected to increase by 3% above the inflation target.
- It is anticipated that the target rent will increase 1.5% above inflation per annum until 2018/19 and 1% above inflation thereafter.
- The provision for bad debts is forecast to be 1.25% in 2018/19, 1.5% in 2019/20 (when Universal Credit is expected to be fully rolled out, reducing by 0.1% every 2 years until the 0.6% level is achieved once again).
- Losses due to voids are expected to be 1.25% per annum.
- Supporting people income relates to the agreed contribution to the alarm installations in HRA properties. This is not expected to increase with inflation.
- Right to Buy suspended for duration of plan.
- The capital plan is based on the new Stock Survey, with component replacements being carried out as per schedule of component life cycles.
- It is assumed that a development programme of acquisitions and new build will continue. In 2018/19 45 units are expected to be developed, 60 in each of the years 2019/20 and 2020/21, 100 in 2021/22 (including a 40 unit extra care facility). Thereafter the number of units is dependent on the necessity to keep within our borrowing cap, with a total of 942 additional units being created during the lifetime of this plan.
- The interest rate on credit balances is assumed to be 0.33% per annum. New borrowing is assumed to be over 50 years at an interest rate of 2.65%.
- The capital programme includes a sum of £8m to provide a 40 unit extra care facility in 2020/21 and 2021/22
- It is assumed that debts will not be re-paid early
- Other income includes feed in tariff income (National Grid), commission from selling insurance, sewerage charges and recoverable repairs.

### **7.1.2 Treasury Management Policy**

The Council has adopted a one-pool approach for loans which means that the costs of borrowing are averaged between the general fund and HRA in proportion to their respective capital financing requirements.

## 5 Year Capital & Revenue Budgets

### Draft Revenue Budgets

	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Management Costs	2,936	2,995	3,055	3,116	3,178
Repairs and Maintenance	3,869	4,040	4,307	4,614	4,923
Other Costs	500				
Capital Financing Costs	2,987	2,984	3,223	3,466	3,529
Contribution to Capital Programme	9,528	9,450	9,471	10,634	8,468
<b>Total Expenditure</b>	<b>19,820</b>	<b>19,469</b>	<b>20,056</b>	<b>21,830</b>	<b>20,098</b>
Net Rental Income	17,122	18,580	19,459	20,877	22,264
Other Income	598	587	578	570	569
Interest on Balances					
<b>Total Income</b>	<b>17,720</b>	<b>19,167</b>	<b>20,037</b>	<b>21,447</b>	<b>22,833</b>
Revenue Surplus/(Deficit)	- 2,100	-302	-19	-383	2,735
Balance Brought Forward	4,284	2,184	1,882	1,863	1,480
Balance Carried Forward	2,184	1,882	1,863	1,480	4,215

## Draft Capital Budget

	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000
WHQS Improvements & Maintenance	7,000	4,496	4,794	5,135	5,479
New Build	6,188	8,614	13,637	14,609	5,249
Regeneration / Remodelling of existing stock	-	-	-	-	-
Other Expenditure	-	-	-	-	400
<b>Total Capital Expenditure</b>	<b>13,188</b>	<b>13,110</b>	<b>18,431</b>	<b>19,744</b>	<b>11,128</b>
Capital Funding					
Major Repairs Allowance	2,660	2,660	2,660	2,660	2,660
Borrowing	1,000	1,000	6,300	6,450	-
Capital Expenditure funded by HRA	9,528	9,450	9,471	10,634	8,468
<b>Total Capital Funding</b>	<b>13,188</b>	<b>13,110</b>	<b>18,431</b>	<b>19,744</b>	<b>11,128</b>



## 8.0 HRA Key Priorities ACTION PLAN 2018 / 2019

<b>Actions</b>	<b>Responsible Officer</b>	<b>Target Date</b>
Launch New Council House Development programme which includes new build on Council land together with design and build packages with private developers.	<b>Development Manager Council Housing</b>	<b>June 18</b>
Agree the project plan for the development of the third Extra Care Housing Scheme for the Island to be developed in the Seiriol area.	<b>Development Manager Council Housing</b>	<b>August 18</b>
Work with Children's Services to source two suitable properties to establish Group Homes for children placed out of county.	<b>Development Manager Council Housing</b>	<b>September 18</b>
Following the re-modelling of Llawr y Dref move forward with letting the scheme in its new format which includes 3 specialist units for Adult Services to assess individuals which are ready to move out of 24 hour care to live independently.	<b>Housing Options Manager/ Principal Development Officer</b>	<b>June 18</b>
Complete the outsourcing of the stores function within the Housing Maintenance Unit in Gaerwen.	<b>Technical Services Manager</b>	<b>June 18</b>
Prepare for implementation of changes relating to the Renting Homes Wales Act.	<b>Strategy and Commissioning Service Manager</b>	<b>December 18</b>
Improve performance with regards to preventing homelessness in accordance with the Housing Act (Cymru) 2014.	<b>Community Housing Services Manager</b>	<b>Continuously throughout the year</b>
Carry out an assessment of the local housing needs and prepare a Local Housing Strategy 2019 – 2024.	<b>Strategy and Commissioning Service Manager</b>	<b>February 19</b>
Continue with the improvement programme for the units that do not meet the Welsh Housing Quality Standards as acceptable fails.	<b>Technical Services Manager</b>	<b>Continuously throughout the year</b>

## Appendix 1

### 30 Year Plan Sensitivity Analysis

Scenario	Base Case	Increase	No MRA	Increase	Increase	Debt Cap
		Bad Debt	Grant from	Maintenance	Rents by	
Year	Surplus (Deficit) c/fwd £,000	by 1.0% Surplus (Deficit) c/fwd £,000	2019/20 Surplus (Deficit) c/fwd £,000	costs by a further 1% Surplus (Deficit) c/fwd £,000	+0% +£0 from 2019/20 Surplus (Deficit) c/fwd £,000	Increased to £65m Surplus (Deficit) c/fwd £,000
2018.19	2,184	2,008	2,184	2,184	2,184	2,184
2019.20	1,882	1,514	1,368	1,715	1,307	1,882
2020.21	1,863	1,447	1,446	1,412	3,494	1,863
2021.22	1,480	1,343	1,522	1,337	11,088	1,480
2022.23	4,215	3,842	1,508	3,452	16,371	4,215
2023.24	6,119	5,508	3,492	4,183	20,956	6,601
2024.25	2,683	1,823	1,412	2,451	18,461	1,374
2025.26	1,389	1,502	1,467	1,660	17,586	1,450
2026.27	1,690	1,532	1,305	2,451	15,245	1,515
2027.28	2,050	1,610	1,476	3,090	12,930	1,460
2028.29	3,391	2,657	3,327	4,572	14,071	1,321
2029.30	4,095	3,056	4,168	5,183	14,320	1,424
2030.31	4,117	2,763	3,746	2,034	14,850	1,500
2031.32	4,966	3,277	4,191	1,550	15,817	2,078
2032.33	5,351	3,322	4,263	2,636	16,220	2,188
2033.34	5,575	3,203	4,423	5,558	16,470	1,389
2034.35	1,899	1,425	2,652	4,375	12,629	1,736
2035.36	2,205	1,356	2,920	4,024	9,582	1,823
2036.37	1,665	1,320	3,237	2,449	5,098	1,372
2037.38	2,104	1,357	2,019	1,502	1,403	1,592
2038.39	1,415	1,537	2,134	1,647	1,344	1,335
2039.40	1,876	1,607	2,248	2,233	1,570	1,578
2040.41	1,487	1,502	1,584	2,011	1,575	1,321
2041.42	1,803	1,445	1,724	2,060	1,723	1,423
2042.43	2,452	1,690	1,848	1,608	1,533	1,863
2043.44	2,779	1,603	1,338	1,585	1,588	1,983
2044.45	3,255	1,661	1,542	2,332	2,750	1,907
2045.46	2,351	1,561	1,617	1,773	1,492	1,979
2046.47	2,184	1,371	1,354	1,515	1,353	1,752
2047.48	1,957	1,549	1,470	1,716	1,454	1,649

Debt Headroom	7	7	7	7	7	27
New Properties	942	909	618	511	208	960
	Convergence Reached in 2023/24	Convergence Reached in 2023/24	Convergence Reached in 2023/24	Convergence Reached in 2023/24	Convergence not reached	Convergence Reached in 2023/24

The base case business plan shows the HRA to have a solid financial footing due to the condition of the housing stock that meets the Welsh Housing Quality Standards. The Council is planning significant investment in the development of new homes and the re-purchase of former Council dwellings, leading to an additional 942 homes over the 30 year period. In order to do this the Council will need to borrow additional funds, staying just within the debt cap which is reached in 2023/24

### Increased Bad Debts

If the bad debt provision were to be increased by 1% above the provision in the base case the Council would need to reduce its investment in new properties, reducing the additional homes to 909.

### Loss of MRA

Should the current MRA grant of £2.66m per annum be withdrawn after 2018/19, the Council would need to reduce the number of additional homes to 618.

### Increased Maintenance Costs by another 1% above inflation

The base case already prudently assumes that maintenance costs will increase by 1% above inflation throughout the duration of the plan, with a further 2% increase whilst Wylfa Newydd is being constructed. If costs were to increase by a further 1% per annum, the Council would need to reduce the number of properties to 511. There would be no new build programme between 2033/34 and 2037/38.

### Increase rents by inflation only after 2019/20.

Should the Welsh Government rent policy change and should rents increase only at the rate of inflation, the number of additional properties would be reduced to 208. There would be no new build programme between 2022/23 and 2037/38.

### Increase the Debt Cap to £65m

The Council's existing debt cap is £58.5m. Should the Council be permitted to increase its borrowing to a new cap of £65m the number of new properties would increase to 960, with the new cap reached in 2027/28.

### Combination of Scenarios

In the event of a combination of scenarios the new build programme would be revised to take into account the available funds.

