

ISLE OF ANGLESEY COUNTY COUNCIL Scrutiny Report Template

Committee:	Corporate Scrutiny Committee
Date:	14 th of March 2023
Subject:	Housing Revenue Account Business Plan 2023 -2053
Purpose of Report:	Approval Required
Scrutiny Chair:	Councillor Robert Llewelyn Jones
Portfolio Holder(s):	
Head of Service:	Ned Michael
Report Author:	Ned Michael Head of Housing Services
Tel:	01248 752200
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Local Members:	Relevant to all elected members

1 - Recommendation/s

R1. Approve the Housing Revenue Account (HRA) Business Plan 2023 -2053 to be presented to the Executive Committee for approval.

2 – Link to Council Plan / Other Corporate Priorities

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.

3 – Guiding Principles for Scrutiny Members

To assist Members when scrutinising the topic:-

3.1 Impact the matter has on individuals and communities [**focus on customer/citizen**]

3.2 A look at the efficiency & effectiveness of any proposed change – both financially and in terms of quality [**focus on value**]

3.3 A look at any risks [**focus on risk**]

3.4 Scrutiny taking a performance monitoring or quality assurance role [**focus on performance & quality**]

3.5 Looking at plans and proposals from a perspective of:

- Long term
- Prevention
- Integration
- Collaboration
- Involvement

[focus on wellbeing]

4 - Key Scrutiny Questions

1. How does the proposed strategy enable the Authority to realise the strategic priorities in the Council Plan for 2023/28?
2. The Business Plan for the Housing Revenue Account discusses an expansion programme to further increase the Local Authority's housing stock. How affordable is this strategy in the current climate?
3. To what extent does the Housing Revenue Account Business Plan seek to address the supply of adequate accommodation for vulnerable adults and families?
4. The Business Plan is dependent on capacity in the Housing Service to identify and move plans forward and also among private sector developers and contractors to work with the Council to build new housing. How much risk is it to ensure adequate capacity and what mitigation measures are in place?

5 – Background / Context

As per the requirement from Welsh Government we are required to submit our application for our Major Repairs Allowance (MRA) together with our 30 year Housing Revenue Account (HRA) Business Plan by the 31st of March in order to secure our annual MRA of £2.688m for 2023-24.

Attached is the draft 30 year HRA Business Plan which once approved will undergo Corporate formatting to include photographs of some of our achievements over the last 12 months.

I therefore recommend that the Executive approve:-

R1. The Housing Revenue Account (HRA) Business Plan 2023-2053 to be submitted to Welsh Government.

1.0 Background

1.1 This Report and Business Plan has been prepared in conjunction with Officers from Housing and 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:-

- how the Council brings all its stock to Welsh Housing Quality Standards – whilst there will remain to be some properties that are classified as ‘acceptable fails’;
- how the Council intends to maintain and work towards the new WHQS and
- the investment needed to finance our new council house development programme.

1.2 The Council, through its HRA, owns and manages 3,938 properties and 675 garages, across the Island. Throughout the period of this Business Plan we will see an increase in excess of 25% in our housing stock to over 5000 properties in order to meet the increasing local housing need. Currently we have over 900 people on the Social Housing waiting list which includes an unprecedent 85 households in temporary accommodation on the Island.

1.3 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).

2.2 We will be fully committed to meeting the new WHQS shortly to be agreed by Welsh Government and during 2022/23 carried out a stock condition survey on all of our housing stock, gaining access to 88% of the properties in order to ascertain our current baseline in preparation towards meeting the new standards.

3.0 Capital Programme 2023-2024

3.1 Capital programme has been estimated at £9.7 million has been included within the Business Plan. This includes provision for 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, environmentals.

3.2 Energy and Decarbonisation Work

We continue to engage with the District Network Operator (DNO) for permission to install multiple Solar PV systems on a number of our properties. We intend to continue with this programme during 2023/24 and £1.0m has been earmarked in the budget to target a further 250 installations which would contribute positively towards both energy efficiency and carbon reduction targets. Following acceptance of the survey we will conduct an evaluation and investment planning exercise to evaluate energy performance, carbon reduction targets and Energy Pathway compliance in anticipation of WHQS 2023 expectations.

3.3 A provision of £6.963 million has been included within the revenue budget for repairs and maintenance works (responsive repairs)

3.4 In addition £8.749 million has been budgeted for in 2023-24 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 2023-2024 and throughout the period of the Business Plan.

4.0 Financial Model and Assumptions

4.1 The HRA Business Plan must be supported by a 30 year financial model which is submitted to Welsh Government.

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, the capacity for the new build programme, and aims to provide assurances on the long term sustainability and financial viability of the HRA.

4.2 On the 17th November 2022 the Welsh Government confirmed that as the CPI for September 2022 was 10.1% which falls outside the range of 0% to 3% and therefore means current annual rent uplift of CPI + 1% did not apply, the Minister with responsibility for Climate Change would determine the appropriate change for Social Housing Rents for 2023/24.

The Minister determined that the maximum annual rent uplift across the whole of the stock would be up to 6.5%.

Whilst 6.5% would be the maximum increase allowable, it was expected that the Authority's decision on rent increase must equally consider the needs of landlords and affordability of rents for tenants.

4.3 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 period of the plan.

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6 – Equality Impact Assessment [including impacts on the Welsh Language]**6.1 Potential impacts on protected groups under the Equality Act 2010**

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6.2 Potential impacts on those experiencing socio-economic disadvantage in their lives (strategic decisions)

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6.3 Potential impacts on opportunities for people to use the Welsh language and treating the Welsh language no less favourably than the English language

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7 – Financial Implications

The business plan contains the revenue and capital budget for the Housing Revenue Account and demonstrates financial viability for the 30 year period.

8 – Appendices:

Housing Revenue Account Business Plan 2023 -2053

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

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Foreword

It is appreciated that Anglesey is a safe place and that the majority of residents feel safe and are very satisfied with their home. There is a strong community ethos in rural areas, villages and towns, with the rate of loneliness being amongst the lowest in Wales.

The Council remains fully committed to work with Welsh Government and partners to react to the local housing challenges.

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 the Council Housing stock.

The HRA finances all of the Council's operations in its role as registered social landlord which includes maximising rental income collection in order to finance the day to day maintenance, planned improvement works, estate management whilst maximising Tenant Participation to influence our priorities.

The HRA has a Council Housing Development Team which is responsible for increasing our housing stock in order to contribute towards meeting the need for affordable housing with varying tenures across 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.

This Business Plan confirms the Council's commitment to

- maintaining Welsh Housing Quality Standards,
- delivering our development programme for new build Council homes,
- 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 unprecedented financial hardship, ensuring that there is adequate provision to best mitigate the effects of the cost of living crisis on local communities, by giving them the tools to help themselves rather than creating a dependency culture, and
- increasing accountability through increased engagement with staff, the Senior Leadership Team, Elected Members and key stakeholders.

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

Our Vision is:

“Ensuring that everyone has the right to call somewhere home”

Quality, Affordable and Accessible Homes

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

- being customer focused and accountable
- providing value for money
- working in partnership
- being innovative in our approach

Our Priorities will be:

- Continue to invest in our current homes in order to meet WHQS phase II
- Build new energy efficient homes with ‘A’ energy performance ratings to meet the recognised housing need
- Reduce the requirement for emergency accommodation units by providing permanent homes for individuals who currently reside in such accommodation

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, Llangefnï, Anglesey, LL77 7TW. E-mail Housing@anglesey.gov.uk

Our areas of responsibilities are:

- Council Housing – including maintenance, allocations, building new properties , Anti-social behavior
- Council’s Housing Revenue Account, rent collection
- Welfare Rights and Financial Inclusion
- Planned Maintenance Works for continuous improvement of our properties

- Homelessness
- Housing Support Grant
- Social Housing Register
- Affordable Housing – including new developments with Housing Associations, Help to Buy Scheme
- Empty Homes in the private sector
- Disabled Facilities Grant
- Tackling Poverty
- Gypsy & Travellers
- Plan to re-locate vulnerable refugees – Ukranian, Syrian and Afghan families

National and local context

The Council Corporate Plan provides a framework for all services to work and has housing as a prominent enabler of achieving this. This document also provides a framework for services to work together to achieve a common goal.

Below this document are many Strategies which feed into and facilitate achieving the above Plan.

Joint Local Development Plan Gwynedd and Mon 2011-26

The Joint Local Development Plan for Gwynedd and Mon was adopted in July 2017. This is a development strategy for a period of 15 years for the land use which focuses on sustainable development. This document steers the development of new housing on the Island, as well as other uses. This Plan is currently under review.

Ynys Mon's Welsh Language Promotion Strategy

The vision for the [Welsh Language Promotion Strategy](#) is that:

- Residents able to afford to live and set up homes in their local communities
- A shared sense of involvement and pride amongst residents in our vibrant, truly bilingual community
- The Welsh language prioritised in local economic development, housing and planning schemes

Well Being of Future Generation Act

The Future Generations Commissioner describes housing as the corner stone of the wellbeing of individuals, families and communities.

The Well-being of Future Generations Act gives us the ambition, permission and legal obligation to improve our social, cultural, environmental and economic well-being and requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change.

The Well-Being of Future Generations (Wales) Act 2015, places a duty on public bodies to seek to achieve the well-being goals and objectives in everything they do.

Decarbonisation

The Environment (Wales) act 2016 places a duty on Governments to reduce carbon emissions, in Wales this is set to be at least 80% by 2050. The report commissioned in 2019 Better Homes, Better Wales, Better World July, 2019 gives 7 recommendations for WG to lead on which states that

'Wales has some of the oldest and least thermally efficient housing stock in the UK and Europe. 32% of the Welsh housing stock was built before 1919, when there were no construction standards in terms of thermal performance. Just 10% of Welsh homes were built in the last 18 years, during which time energy performance requirements have changed dramatically.'

Welsh Government's recent Plan "Prosperity for All: A Low Carbon Wales has a whole chapter on buildings based on all tenures and that residential buildings is the highest emissions sources as a Welsh total.

The Council have previously declared a climate emergency and our work within this area will form part of the decarbonisation agenda.

Re-imagining social building in Wales Modern Methods of Construction Strategy for Social Housing, February 2020

A Strategy which set outs the expectations relating to the production of homes built using Modern Methods of Construction which encourages complimenting traditional construction methods with new technologies and approaches.

Renting Homes (Wales) Act 2016

This Act aims to make it simpler to rent a home and protect tenants' rights. In general, the Act replaces all current tenancies and licences with just two types of occupation contract; secure or standard. At present it is anticipated that all new and existing tenancy agreements will need to be re-issued. The Act also creates new rights for victims of domestic abuse, for people in shared houses and for tenants needing repairs to be carried out.

Welsh Government Race Equality Action Plan

Welsh Government has acknowledged that urgent action is needed in promoting a vision for Wales where everyone is treated as an equal citizen and as a Council we have contributed to the consultation document which will lead to the implementation of a Race Equality Action Plan. Our Housing Strategy will promote the overall aim of 'ensuring that all members of our Society are able to live in decent and affordable homes which meet the diversity of people's needs'.

North Wales Population Assessment

The North Wales Population Assessment is a review of the care and support needs of the population in North Wales, including the support needs of carers. It was produced by the six North Wales Councils and Betsi Cadwaladr University Health Board (BCUHB) supported by

Public Health Wales, to meet the requirements of the Social Services and Wellbeing Act (Wales) 2014 (the act).

Housing Need and how this will be addressed through new development

Information provided in this section sets out the housing need data for the Island, and is correct as of March 2022.

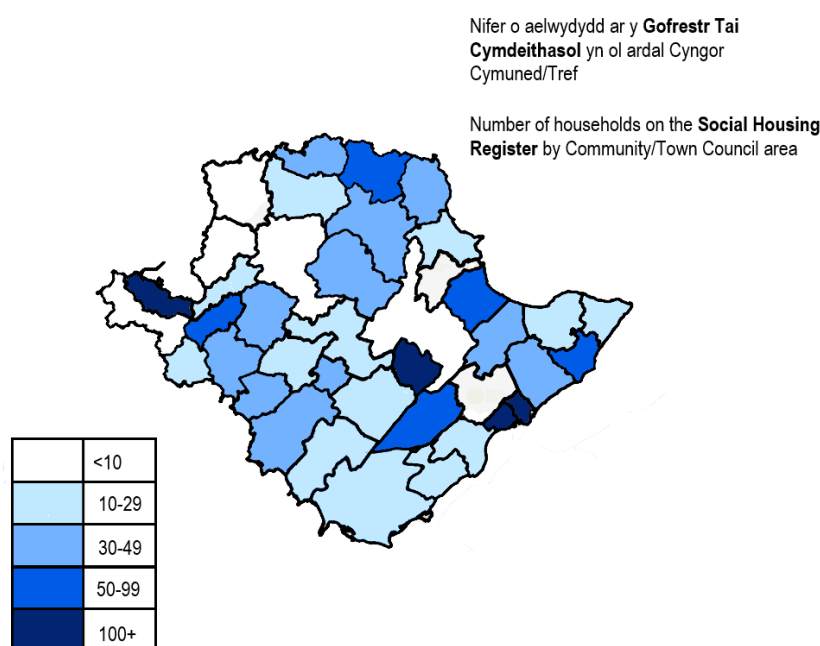
Social Housing Register Information:

There are currently 908 applicants on the Social Housing Register with the majority requiring 1 and 2 bedroomed general needs and older person’s properties.

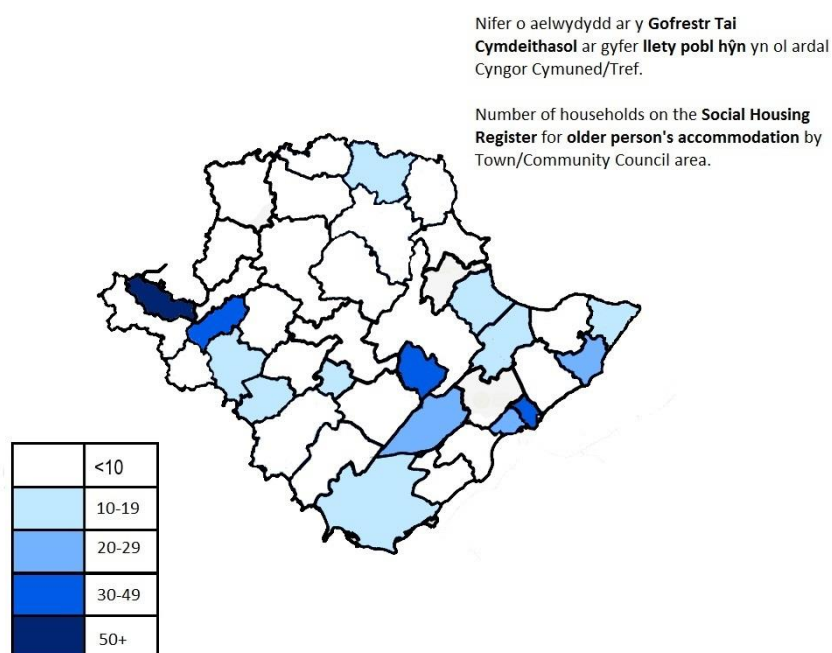
Table 1: Social Housing Register Waiting List by type and number of bedrooms required

	1 bed	2 bed	3 bed	4+ bed	Total
General Needs	381	210	100	59	750
Older Person’s Accommodation	124	30	4	0	158
TOTAL	505	240	104	59	908
%	56%	26%	11%	7%	

The demand for social housing can be seen in the map below, with demand being highest in Caergybi, Llangefni, Menai Bridge, Llanfairpwll, Amlwch, Valley, Llanfair ME, Llanfihangel Ysgeifiog and Beaumaris. Please note that some applicants are on the waiting lists of more than one area.



The demand for older person's social rented accommodation can be seen in the map below. It appears that the demand for older person's accommodation such as bungalows and age designated flats is also highest in Caergybi, Llangefni, Menai Bridge and Valley.



Existing Social Housing Stock Information:

The table below shows the current social housing stock information for the Island, including general needs, extra care, older person's accommodation and supported accommodation.

Table 2; Current Social Housing Stock by Registered Social Landlord:

	1 bed	2 bed	3 bed	4 bed	5 bed	6 bed	7 bed	8 bed	TOTAL
Isle of Anglesey County Council	751	1414	1678	80	12	3	0	0	3938
Grwp Cynefin	131	217	224	19	3	1	0	1	596
Clwyd Alyn	108	140	82	12	0	0	0	0	342
North Wales Housing	23	75	60	6	1	0	0	0	165
TOTAL	1000	1809	2046	108	16	4	0	1	4984
%	20.1%	36.3%	41.1%	2.2%	0.3%	0.1%	0.0%	0.0%	

The Social Housing Grant (SHG) programme is the main capital grant provided by Welsh Government for the provision of affordable housing. It is used to fund housing schemes that meet local housing need and priorities as identified by the Local Authority (LA).

Isle of Anglesey has the following indicative Social Housing Grant budget, which is shared between the Council as a Stock Retaining Authority and its RSL Partners (Clwyd Alyn, North Wales Housing and Grŵp Cynefin).

Table 3 below outlines the SHG provision provided for Anglesey Community Housing landlords

2022/23	2023/24	2024/25	TOTAL
£8,013,632	£8,814,995	£8,414,313	£25,242,940

The Social Housing Grant Budget has been fully allocated over the **next three years**, and it is anticipated that it will fund a total of **380 additional new affordable homes** on the Island (52 LA and 328 RSL homes). In addition the Local Authority is planning to build an Extra Care Older Person facility for up to **40** residents.

There are an additional **99** dwellings being built / planning stage, by the local authority which is being funded by the HRA rather than the Social Housing Grant.

TACKLING POVERTY AND SUPPORTING TENANTS WITH THE COST OF LIVING CRISIS

Housing Services are leading on tackling poverty and cost of living efforts for Anglesey residents, regardless of tenure. Tackling poverty delivery is undertaken by our internal Welfare Rights Team and Financial Inclusion Team alongside our commissioned service to CAB Ynys Mon.

Covid-19 recovery planning was underway when we were informed by Welsh and National Government that we were to face a cost of living crisis.

As a stock retaining local authority landlord in Wales, we have pledged to ensure no evictions from social housing should tenants in financial difficulty engage with our housing officers.

Financial Inclusion

The Financial Inclusion team consists of a Senior Financial Inclusion Officer, 2 x Financial Inclusion Officers working within Housing by providing financial support, budgeting advice and affordability advice to Council and private tenants to develop their financial capability. Their aim is to increase the ability of the tenants to successfully manage their money, minimise financial risk and provide access to affordable financial services to help them sustain their tenancy. Whilst working within the communities, the officers take the opportunity to raise awareness on the effects of Universal Credit, fuel and food poverty.

Canolfan J.E. O’Toole Centre

The Welfare Rights Service is based at the J.E. O’Toole with a small long serving team consisting of 3 full time Advisers, one Admin Officer and the Team Leader.

The Centre supports; unemployed people, the sick and disabled, lone parents, pensioners, carers and those on low wages by providing advice and help to claim the right benefits. This includes tax credits and discretionary payments, maximising incomes, explaining how benefits are affected when circumstances occur, applying for grants, discretionary payments and reductions, helping clients to appeal incorrect benefit decisions and dealing with other benefit related problems. This includes support for fuel poverty.

During 2023-24, our Corporate tackling poverty strategy will be reviewed. This review will ensure our tackling poverty efforts continue to address Covid-19 recovery and the ongoing cost of living crisis.

Some of our other current and future poverty-related activities includes;

- Continuing with our warm spaces plans. This has been highly effective on some of our most off-grid housing estates
- Continuing with our vision to develop more community growing spaces.
- Utilising our communal spaces to continue delivering on events and sessions which are attributed to supporting tenant wellbeing and tackling cost of living challenges.



Our O'Toole and Financial Inclusion Team at a recent Holyhead Cost of Living event

Rental Income

The Housing Services relies on its rental income to ensure business continuity by preserving the revenue streams. In order to do this it is important to maximise the rental income to provide the best possible services to tenants and Anglesey residents.

The Housing Services Department currently manages 3938 dwellings which amounts to an estimated rental income of £20.9m and 675 garages for a total estimated to £323k of income.

Annual Rent Increase

On the 17th November 2022 the Welsh Government confirmed that as the CPI for September 2022 was 10.1% which falls outside the range of 0% to 3% and therefore means current annual rent uplift of CPI + 1% does not apply, the Minister with responsibility for Climate Change would determine the appropriate change for Social Housing Rents for 2023/24.

The Minister determined that the total maximum annual rent uplift across the whole of the stock would be up to 6.5%.

Whilst 6.5% would be the maximum increase allowable, it was expected that the Authority's decision on rent increase must consider the needs of landlords and affordability of rents for tenants equally.

As the Welsh Government decided to suspend the Target Rent Bands again for the financial year 2023/24, the decision was taken to provide an increase to all tenants up to the annual threshold amount of 5% to apportion the increase fairly and limit the individual increase per tenant. By applying this increase, we will generate approximately £998k of additional annual rental income.

Currently 2714 of the Council's tenants (70%) will face no additional hardship as a consequence of the proposed rent increase and service charges, as they are in receipt of full or part Housing Benefit or in receipt of Universal Credit. Tenants who are not in receipt of housing benefit will have to meet the rent and service charges, unless of course they become eligible for benefit, following the increase.

In addition, the Council has decided to set aside a 'Rent Support Scheme' fund for the provision of supporting tenants paying rent in full and who may be in financial difficulty as a result of the increase.

Households considered to be in need of assistance with their rent will be able to apply or be referred to the scheme.

Using the 51 week collection, the proposed rent increase for 2023/24 will be an average weekly increase of £4.97. This will increase the average weekly rent from £99.58 to £104.55.

Table 4 below provides an overview on our housing stock profile

Types of Dwellings	Total	Percentage of Stock	Average Rent 2023/24
Bedsits	8	0.20%	£76.48
1 Bed	743	18.87%	£91.03
2 Bed	1410	35.81%	£101.70
3 Bed	1675	42.53%	£112.16
4/5 Bed	95	2.41%	£121.15
Intermediate Rents	7	0.18%	£110.96
Total	3938	100%	

Rent and Service Charges Consultation

During the 3rd quarter of 2023/24 financial year, we will carry out a full consultation with our tenants and staff to have their views on rent and service charges setting.

By being transparent and involving tenants, leaseholders, staff and elected members from the start of the process will ensure that an understanding on how we set rents and how the income derived will be/is to be invested.

The consultation will be done via different methods of communication through face to face, letters, website and social media. This will provide reassurance to our tenants as well as build trust whereby decisions are made fairly.

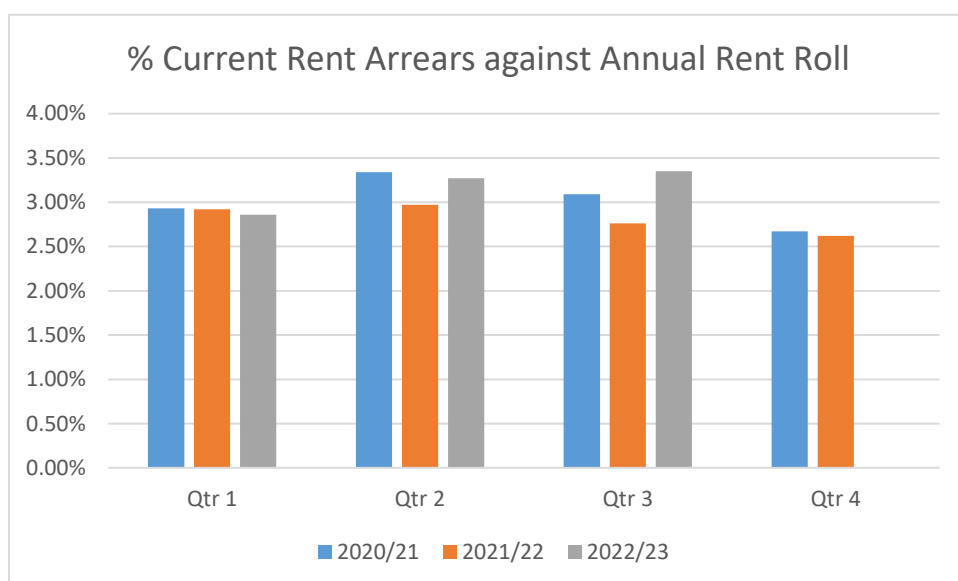
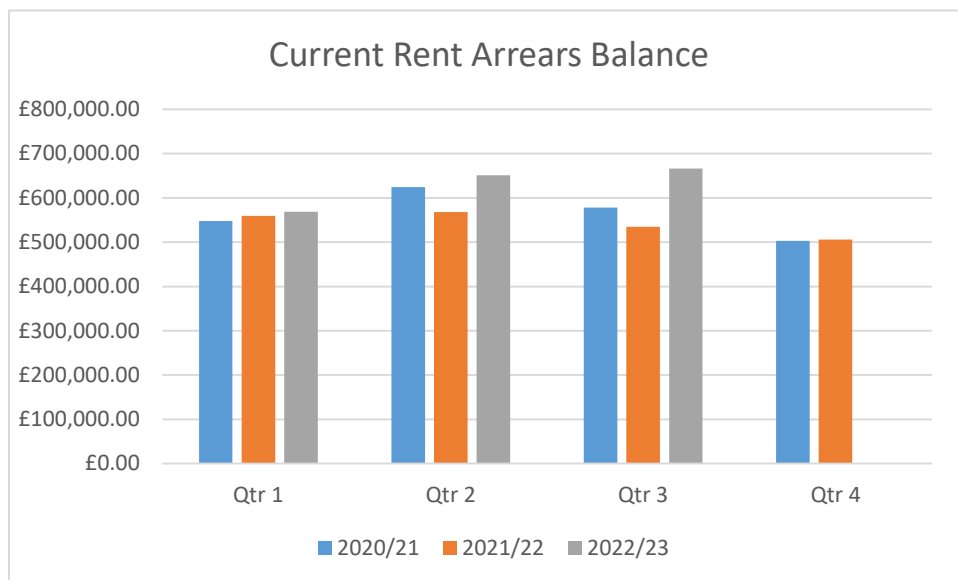
Rent Arrears

As at 29th January 2023 the total rent collected as a percentage of the total collectible is 99.47% and the total current tenant arrears is £651K (3.26%) with the former tenant arrears amounting to £275k (1.38%).

The rental void loss percentage as at 29th January 2023 stood at 1.84% (£300k).

The arrears have been increasing over this financial year, several factors are taken into consideration, the rise in cost of living and impact on tenants, gradual increase in Universal Credit claims and staffing shortages, the income recovery team have been down two officers from June 2022 with other staff allocated additional duties in implementing the changes to Renting Homes Wales Act 2016.

Since December 2022 there is a full team of 6 officers and one senior officer. The officer patches have also been updated to allow better efficiency



In comparison with other Local Authorities, Isle of Anglesey County Council's Arrears are recorded as the lowest at the end of Qtr1 and Qtr2 (2022/23).

Arrears Profile

The profile of the number of arrears cases in each band has changed in recent months with the number of cases over £1000 increasing significantly. The limitations on taking possession proceedings earlier on in the pandemic and more recently due to changes in legislation in Renting Homes Wales has meant that the number of cases rising into the £2k and £3k band has also increased.

Table 5 below provides an overview on the number of households that are in a particular level of arrears.

	2022 -2023			
	Qtr1	Qtr2	Qtr3	Qtr4
<= £0	2064	1818	2089	
>0 - £499.99	1406	1611	926	
£500 - £999.99	209	230	224	
£1000 - £1999.99	115	135	159	
£2000 - £2999.99	33	27	29*	
£3000 - £3999.99	5	10	11	
£4000- £4999.99	0	0	0	
£5000+	1	1	2*	
Total in Arrears	1769	2014	1351	

Payment Profile

The number of Universal Credit claims have increased with tenants being furloughed, seeing a reduction in hours or losing work. The total number of UC claimants has doubled since the start of the pandemic, resulting in an increase in arrears due to the five week delay in receiving the first payment. The number of UC claims continue to gradually increase and will continue to do so until UC migration is fully implemented by 2024.

	2022 -2023			
	Qtr 1	Qtr 2	Qtr 3	Qtr 4
Number of HB Cases	1640	1601	1552	

Number of UC Cases	1190	1241	1258	
Number of APA's	440	511	551	
No. of UC Cases with Arrears	841	958	781	
No. of HB Cases with Arrears	344	368	251	

Legal Proceedings & Evictions

Possession proceedings had changed following the introduction of the Coronavirus Act 2020, extending Notice periods for up to 6 months. Although the Act came to an end on 25th March 2022, the impact on an increased number of cases with higher debt has remained. In addition, proceedings have been on hold since Dec'22 due to implementing the Renting Homes Wales Act.

Welsh Government requested that Local Authority's sign up to a pledge of 'No evictions into homelessness'. Evictions have always been a last resort so the impact of this is likely to be minimal. There have been no evictions in the last two financial years.

Looking Ahead

- The arrears team will continue to provide support around Universal Credit to reduce the impact on tenants.
- We will continue to make full use of the Mobyssoft software in tackling rent arrears and its reporting tool to identify trends. This will enable officers to intervene with cases at a much earlier stages to avoid higher cases of arrears.
- Regular meetings with Senior Management to discuss high end and complex cases to find further solutions.
- The Senior Arrears Officer will continue to meet monthly with other North Wales RSL's and LA's income teams to share performance, discuss and share working practices.
- Maximise tenants income by taking advantage of all the support funds available, such as DHP, DAF, poverty funds, etc and improving household financial resilience.
- We are attending & contributing to the bi-monthly meetings with other Local Authorities throughout Wales on rent arrears. These meetings are being chaired by Welsh Government where performance indicators are provided by each LA to compare and discuss good practices or any concerns.
- Although it may be difficult for officers to take a 'balanced' approach in tackling rent arrears, the emphasis by Welsh Government to adopt the principle of not evicting into homelessness for Social Tenants will make it easier for officers to ensure that the right support is given to the tenant rather than taking the approach to evict.

Financial Inclusion

Tackling the effects of welfare reform and more recently, the Cost of Living crisis, remains to be a high priority for the Head of Housing and on a Corporate level and is shown in how we have prepared and invested in key areas to mitigate the impact.

We have a Senior Financial Inclusion Officer and two Financial Inclusion Officers working within Housing by providing financial support, budgeting advice and affordability advice to Council and private tenants to develop their financial capability. Their aim is to increase the ability of the tenants to successfully manage their money, minimise financial risk and provide access to affordable financial services to help them sustain their tenancy.

The introduction of further government initiatives and support packages, along with pre-existing support and provision in areas of food banks, fuel poverty, DHP's and DAF funds provides more tools for the officers to deal with any future referrals.

TENANTS PARTICIPATION AND ENGAGEMENT

Digital Tenants Portal (DTS) - Work on the Digital Tenants Portal is ongoing. By January 2023, we should be in a position to be testing the portal with a small group of tenants throughout the month. Any learning or issues identified will be resolved prior to the full roll out.

Online housing application - Our online housing application development is underway and in partnership with Corporate IT. The ambition is that the housing application will be embedded onto our new Corporate CRM to which will interface with Orchard, thus allowing housing applicants to apply online. This, in turn, will also reduce phone call traffic and reduce the use of paper.

Re-commencing face to face tenants participation

We have successfully completed 10 clean-up days this year. Clean-up days will recommence from April 2023;

Completed areas:

- Llanfaes
- Ffordd Beibio a Nimrod Walk, Holyhead
- Ffordd Lligwy & Tyn Coed, Moelfre
- Maes Geraint, Betws Geraint & Bron Ffinnan, Pentraeth
- Pencraig & Bro Tudur, Llangefni
- Bryngwynt, Well Street & Brickpool, Amlwch
- Waterside, Holyhead
- Maes Llewelyn & Min y Mor, Aberffraw
- Tre Ifan & Cae Ifan, Caergeiliog
- Maes Meurig, Gwalchmai

These events are a great way of engaging with tenants as it gives us the opportunity to discuss and raise awareness of Tenant Participation opportunities. Share information about Renting Homes Wales Act and any other engagement or consultation that's currently underway.

Who attends these events?

TP Officer, Waste Management Officer for the area, Rent Officer, Estate Management Officer, PCSO, Elected Members, Maintenance Operatives with a box van to transport and support tenants with large items and the Energy Wardens to support tenants with anything financial.

Our aim for 2023-24 is to;

- consult and complete our Local Tenants Participation Strategy
- Continue with our efforts to support tenants that are struggling due to the Cost of Living crisis
- Develop more community growing spaces within our estates
- Achieve our annual tenants participation action plan

STAR survey

The survey was carried out between November and December 2021. Paper self-completion questionnaires were distributed to every household, followed by a reminder approximately three weeks later for all those that had not yet replied. In addition, email invitations and reminders were sent to every valid email address on the Councils records, plus a text invitation and reminder to all mobiles. The survey was incentivised with a free prize draw. At the time of writing the 2022 Housing Revenue Account Business plan, the following detailed information was not available.

In total 1,511 tenants took part in the survey, which represented a 40% response rate (error margin +/- 2.0%). Almost a third of the total number of responses was collected online (467). Please note that the survey results were weighted by age and stock type to ensure that they were representative of the tenant population on the main demographic and geographic characteristics.

Overall tenant satisfaction with Isle of Anglesey County Council's services had fallen by a statistically significant margin from 88% in 2019 to 85% in 2021, including a 6% fall in the proportion that were 'very' satisfied.

This pattern is not unusual, however, with many landlords experiencing similar falls when compared to before the COVID pandemic. Indeed, the benchmark median across all landlords in North Wales was 82%, and on average only 77% for Welsh local authorities.

The biggest changes in satisfaction were in the ratings for the home, repairs and maintenance and neighbourhood, being those aspects most liable to pandemic disruption.

It was positive to find a significant improvement in trust amongst tenants compared to 2019 (83%, up from 77%), with the proportion that actively disagreed remaining very small (7%).

The most influential demographic trait in virtually all tenant surveys is age, so it is no surprise that the most satisfied tenants overall were those of retirement age (87% satisfied), whilst the lowest rating was 75% amongst 35 - 49 year olds. This meant that tenants in sheltered accommodation were the most satisfied (94%), following by OAP designated housing (88%) and general needs (82%).

The majority of tenants were satisfied with the quality of their home (82%), although satisfaction had fallen by a statistically significant 4% since 2019.

However, other post-pandemic surveys conducted by ARP Research in recent months have demonstrated similar reductions in this score, so despite the four-point fall the Council's result continues to compare favourably to other local authorities (benchmark 75%), and on par with North Wales as a whole.

A greater proportion of respondents were satisfied with the safety and security of their home (90%) and was nine points above the median of 81% amongst other Welsh local authorities.

Both the quality and safety/security of the home were key drivers of overall satisfaction.

Most respondents were satisfied that the Council was easy to deal with (81%), a core STAR survey question that is known as a 'customer effort' score, for which the benchmark median amongst ARP Research clients in Wales is 82%. This was another key driver of overall satisfaction.

Tenants were equally positive about both having a say in how services are managed and their opportunities to take part in decision making (65% v 64%), with only 13% - 12% respectively being actively dissatisfied. These scores were considerably higher than the average achieved by other Welsh local authorities, both being in the top quartile.

The Council's satisfaction scores are high compared to both regionally, and against other local authorities across Wales. The pandemic appears to have reset many of the baselines for tenant satisfaction, with few landlords returning to pre-pandemic levels.

[Survey of tenants and residents \(STAR\) \(gov.wales\)](https://gov.wales/star)

For our 2023 STAR survey, we aim to commission a provider to deliver on this and are at the stage of attracting quotes. Our aim is to deliver during the Summer of 2023.

Capital Investment Programme

Planned Maintenance Programme for 2023-24

The Planned Maintenance Programme for 2023/24 shown in the Table 1 below which is valued at £9.7 million (excluding new developments) earmarks the capital resources which have been incorporated in the Business Plan. The programme is underpinned by independently collected stock condition data and will contribute towards our Housing Management Strategy and the Corporate Asset Management Strategy.

Table 6 - This Public Sector Investment Programme forms part of the Corporate Capital Plan for 2023/24.

Public Sector Investment Programme	2023/24 (£ '000)
Internal WHQS Works and Asbestos	1,700
Commitments on current contracts & Traditional Planned Maintenance Programme	4,450
Fire Risk Management	400
Central Heating Works	1,250
Environmental Works	500
Energy/Decarbonisation Works	1,000
Public Sector Adaptations	400
	9,700
Financing	2023/24 (£ '000)
Major Repairs Allowance	2,688
Revenue Contribution	5,990
WG Optimised Retrofit Programme	872
WG Grant Fire Risk	150
	9,700

Internal Investment Plan

The budget allocates the sum of £1.7m 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 above budget allocates £500k towards a contract awarded for the replacement of 80 kitchens which did not form part of the original core WHQS programme.

Traditional Programme External Planned Maintenance

The total budget allocated for traditional Planned Maintenance work is £4.45m which includes carried forward commitment on schemes currently on site or awarded during 2022/23.

During 2023/24 we will continue to target improving the energy efficiency of our homes in the following locations:

- Maes Cynfor, Cemaes Bay Phase 1: Completion of works commenced during 2022/23
- Maes Cynfor, Cemaes Bay Phase 2
- 55-62 Tyddyn To, Menai Bridge, Erw Hywel, Llandegfan and Joint Houses, Brynteg
- Morrison Crescent, Holyhead

The general scope of the work to be undertaken or currently on site typically involves re-roofing to include the installation of Solar PV, the application of an insulated render system, replacement windows and doors where appropriate, external works to include paths, fencing and boundary walls.

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. Our Traditional Planned Maintenance contracts focus on improving the external fabric of dwellings and will continue to form the basis of our capital investment plans moving forward.

Fire Risk Management

To ensure continued compliance with the Regulatory Fire Reform Order 2005 we have allocated the sum of £400k towards upgrading and/or renewal of fire-fighting equipment and fire detection systems to comply with fire risk assessments.

Investment plans for 2023/24 allows for completing the retrospective installation of fire suppression systems in 2 of our medium rise blocks, namely Glan Cefni, Llangefni and Maes y Coed, Menai Bridge. Successful completion of this proposal will ensure that our 4 medium rise tower blocks benefit from sprinkler fire protection systems.

In addition, we will work towards establishing and commencing a 3 year programme of replacement 1 hour fire doors during 2023/24.

Central Heating Works

During 2023/24 we have allocated a budget of £1.25m to replace approximately 500 natural gas boilers which are at least 15 years old in accordance with Business Plan expected life cycles.

Energy and Decarbonisation Work

We continue to engage with the District Network Operator (DNO) for permission to install multiple Solar PV systems on a number of estates. Regretfully, due to network capacity issues, obtaining DNO permission to install systems is not straightforward

We intend to continue with this programme during 2023/24 and £1.0m has been earmarked in the budget to target a further 250 installations which would contribute positively towards both energy efficiency and carbon reduction targets.

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.”

A total of £500k is allocated towards environmental improvements in 2023/24. A significant proportion of this budget will be utilised to continue with the programmed demolition of

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 areas. In addition, the budget will be utilised for targeted estate improvements and upgrading treatment plants owned and operated by Housing Services.

Adaptation Work in the Public Sector

The budget includes a sum of £400k for major adaptation works for the disabled. Typical examples of work include installing stair lifts, level access showers, ramps and extensions

WHQS Compliance and WHQS 2023 / Decarbonisation

We are satisfied that all properties, wherever practically possible, meet WHQS standards apart from those that are refused or those who meet the acceptable fail criteria. Improvement work on properties previously the subject of tenant refusals are done automatically at change of tenancy. We can only consider noting an acceptable fail if the cost of the work to rectify is impractical from an economic perspective.

During 2022/23 Housing Services appointed Savills to undertake a full Stock Condition Survey in order to fully inform decision making as part of annual HRA Business Planning. The survey includes for:

- Collecting stock condition data
- Assessment of properties against WHQS including draft WHQS 2 expectations
- Energy rating survey
- Housing Health and Safety Rating System
- Financial forecasting in connection with repairs, improvements and programmed renewals

The survey will provide independent verification whether or not we continue to meet original WHQS's.

From a carbon reduction and energy efficiency perspective the Energy Rating Survey to collect current RdSAP 10 data will provide a strong foundation for investment planning and future compliance with proposed WHQS 2023 targets. After a period of careful review we expect to adopt full survey findings, conclusions and financial implications during Q4 2022/23.

Following acceptance of the survey we will use Savills' comprehensive survey, improvement option evaluation and investment planning methodology to evaluate energy efficiency, carbon reduction targets and Energy Pathway compliance. This is a PAS 2035 compliant process that identifies, prioritises and evaluates improvement measures.

On completion of the above we will establish longer term expenditure programmes to address WHQS 2023 targets in connection with energy efficiency and decarbonisation.

Financing Capital Work planned for 2023/24

Our Capital Investment Programme is partly funded by Welsh Government and we receive an annual **Major Repairs Allowance (MRA)** which contributes towards reaching and maintaining WHQS. During 2022/23 we received MRA in the sum of £2.67 million towards financing our capital investment programme.

During 2022/23 Housing Services were awarded £393k Welsh Government funding from the Medium and High Rise Residential Building Remediation Capital Grant Fund. The work

involving Compartmentation and Fire Suppression Systems at all 4 of our medium rise tower blocks continues on site and we expect that funding in the sum of £150k will be carried forward to 2023/24.

The budget also includes Optimised Retrofit Programme 3 funding in the sum of £872k which represents half of our provisional award for 2023/24 and 2024/25.

The remainder of the £9.7m budget will be funded by revenue income.

Procurement and Community Benefits

Major contracts procured by Housing include Targeted Recruitment & Training, Wider Community Benefits and Supply Chain Opportunities.

Key elements include:

- Training and recruitment
- Local supply chain opportunities
- Wider community benefits linked with the local area
- Completion of Value Wales Community Benefit Measurement Tool on contract completion

All capital tender opportunities are advertised via the sell2wales procurement portal. The Housing Services vision is to ensure that local contractors and supply chains are given every opportunity to compete for annual and framework capital contracts. Awarding local will contribute towards reducing the carbon footprint of our investment plans whilst promoting job creation and retention.

Other Investment Opportunities – Increasing Housing Supply

Modern method of construction in social housing

The majority of the houses will be built using Modern Methods of Construction (MMC) as defined by the Welsh Government (WG) in its social house building strategy 'Re-imagining social house building in Wales'. This means that most of the new stock will be built using timber or other sustainable materials with a view to reducing the use of more traditional 'brick and block' methods which contain a high level of embodied carbon. MMC systems can include the following:

- Timber frame construction
- Passivhaus standard construction (highly insulated timber frame structures)
- Modular construction

IoACC have made full advantage of WGs recent Innovative Housing Grant Programme to construct new houses using the Passivhaus standard. This ensures a continuous shell of insulation throughout the building and ensures that there are no thermal bridges that contribute to heat loss. Heat is also re-circulated through the property using a mechanical ventilation heat recovery (MVHR) system which reduces heat-loss and optimises the use of naturally occurring heat in the property. The following diagram shows some of the basic principles used in the construction method.

The IoACC are currently building 30 Passivhaus standard new homes in Holyhead.

The images below show the Llaingoch estate in Holyhead being built, the first picture shows the panelised timber frame elements that were constructed off-site being lifted into place

before being fixed together. The second picture shows the same block of 4 flats in an advanced state.



STAFFING (INFOGRAPHIC)

Female	91
Male	77
<25	17
26-34	44
35-44	39
45-54	34
55-64	32
65+	2

Our workforce development plan is in place and focuses on continuing to improve skills and knowledge within the department. An analysis to be undertaken on succession planning for staff who will retire within the next 5-10 Years. The plan also focuses on staff who are keen to aspire into Management roles.

We have identified that circa. 36 officers are 60 Years of age or will be 60 within the next 5 Years. Whilst the National retirement age is 67 Years, as a department, it is important we agree on succession planning.

We have one Community Housing Apprentice approaching the end of Year one and an advertisement for a new apprentice is underway.

Hybrid working is fully embedded. Most officers work from our offices 3 days per week. A small % work full time from the office.

Chartered Institute of Housing – two staff members have successfully completed the Chartered Institute of Housing qualifications and two other staff members have commenced the qualification in October 2022.

Corporate Responsibilities

We have Corporate responsibilities which include Safeguarding, Data Governance, Performance Management, Welsh Language, Business Continuity, Managing Staff Absences, Emergency Planning and Health & Safety. All of these aspects are frequently reviewed.

Staffing challenges within Community Housing

Persistent staff challenges throughout the last 3 Years have now been resolved. We have successfully recruited for our Assistant Welfare Rights Officer role (this has taken 3 Years) and we are almost up to full staffing compliment.

Our Housing Support team have faced some recruitment challenges due to contracts being short term.

During this Year, x 4 customer services officers have moved onto pastures new. Given this, our emphasis has been on recruiting and training new officers.

Staffing challenges within Technical Services

Since restructuring the Technical Services and the Housing Maintenance Unit in 2016 we have faced increasing difficulties in recruiting and retaining electrical and heating engineers. At one stage during 2022/23 we had 6 vacancies for these certified posts. It was apparent and evidenced that salary rates were more competitive in the private sector and in Housing Associations operating in North Wales. During 2022, in order to ensure that we are able to deliver and maintain essential and statutory services, existing salary bands were reviewed in consultation with HR and Finance.

As a result of the above, following review of job descriptions, subsequent evaluation and consultation with staff, electrical and heating engineers together with trade supervisors have been re-evaluated resulting in a higher salary. We are confident that this step will enable us to address obstacles with these filling empty posts.

In addition, our commitment to giving apprenticeship opportunities has proved very valuable and during 2023 we hope that 3 apprentices engaged during the launch of the scheme will successfully complete their courses and move into full time employment with the HMU.

Moving forward, Housing Services recognise that the staffing structure for delivery of capital investment will require review during 2023 in order to address WHQS 2 together with zero carbon targets and expectations.

FINANCIAL POSITION

Five Year Capital Programme

	2023.24	2024.25	2025.26	2026.27	2027.28
	£000	£000	£000	£000	£000
CAPITAL EXPENDITURE					
Welsh Housing Quality Standard Improvements	9,700	10,185	10,490	10,805	11,129
Development Schemes & Acquisitions	8,749	19,450	16,234	10,026	10,326
Other	0	510	0	0	0
Total Expenditure	18,449	30,145	26,724	20,830	21,455
FINANCING					
External Borrowing	0	17,250	18,000	13,000	14,500
Major Repairs Allowance	2,688	2,688	2,688	2,688	2,688
Revenue Contributions	14,761	8,207	6,036	5,142	4,267
Other Capital Grants	1,000	2,000	0	0	0
Total Financing	18,449	30,145	26,724	20,830	21,455

Five Year Revenue Budget

	2023.24	2024.25	2025.26	2026.27	2027.28
	£000	£000	£000	£000	£000
INCOME AND EXPENDITURE ACCOUNT					
Income					
Dwelling Rents	21,051	21,806	23,345	24,031	25,022
Voids	-358	-371	-397	-409	-425
Net Rents	20,693	21,435	22,948	23,623	24,597
Non Dwelling Rents	247	254	262	270	278
Charges for services and facilities (net of voids)	196	200	204	208	212
Contribution towards expenditure	116	116	116	116	116
Other Income	214	218	223	227	232
Expenditure					
Repairs and maintenance	-6,963	-7,212	-7,573	-7,948	-8,276
Supervision and management	-4,174	-4,257	-4,343	-4,429	-4,518
(Increase)/decrease in provision for bad debts	-316	-305	-327	-312	-325
Debt management costs	-19	-24	-34	-43	-51
Net cost of services	9,994	10,425	11,476	11,711	12,265
Interest payable, including amortisation of premiums and discounts	-4,412	-5,743	-7,283	-8,808	-10,295
HRA investment income	-23	-47	-46	-46	-46
Surplus / (deficit) for the year	5,559	4,634	4,146	2,857	1,924
STATEMENT OF MOVEMENT ON THE HOUSING REVENUE ACCOUNT BALANCE					
Surplus / (deficit) for the year on the HRA Income and Expenditure Account	5,559	4,634	4,146	2,857	1,924
Capital Expenditure funded by the HRA	-14,761	-5,057	-3,536	-3,142	-1,767
Increase / (decrease) in the HRA balance for the year	-9,201	-422	610	-286	157
Housing Revenue Account balance Brought Forward	10,146	945	522	1,133	847
Housing Revenue Account balance Carried Forward	945	522	1,133	847	1,004

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.
- It is anticipated that rents will increase 1% above inflation per annum
- The provision for bad debts is forecast to be 1.5% in 2023/24 to take into account increases in utility costs and the roll out of Universal Credit, reducing by 0.1% every 2 years until the level returns to the 0.6% level attained prior to the introduction of Universal Credit.
- Losses due to voids are expected to be 1.7% per annum.
- The capital plan is based on the latest Stock Condition Survey, with component replacements being carried out as per schedule of component life cycles. A new stock condition survey is currently being produced.
- It is assumed that a development programme of new build and acquisitions of former council houses will continue. From 2024/25 45 units are expected to be delivered (30 new build and 15 acquisitions) each year. There will be an additional 50 unit extra care housing scheme (plus 14 residential units) being developed at a cost of £17m completing 2025/26.
- The plan allows for maximum borrowing of 6.5 times income.
- Other than the capital grants awarded during 2023/24 and the receipt of a grant from ICF towards the extra care facility in 2025/26 is assumed that the HRA will fully fund the development programme for the duration of plan.
- The interest rate on credit balances is assumed to be 0.5% per annum. New borrowing is assumed to be over 50 years at an interest rate of 4.2%.
- 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.

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 requirement

Photographs below – these will be combined into the main report once it has been approved and sent to the graphic designer



A Housing run warm space in Bro'r Ysgol, Bodedern





New estate opening day – Erw'r Lon yr Ysgol, Llanfachraeth



Llaingoch housing development, new estate completed July 2022- Holyhead