

<b>ISLE OF ANGLESEY COUNTY COUNCIL Scrutiny Report Template</b>	
<b>Committee:</b>	Corporate Scrutiny Committee
<b>Date:</b>	11 March, 2025
<b>Subject:</b>	Housing Revenue Account Business Plan 2025-2055
<b>Purpose of Report:</b>	Recommend the Housing Revenue Business Plan 2025-2055 for the Executive's approval
<b>Scrutiny Chair:</b>	Cllr. Douglas Fowlie
<b>Portfolio Holder(s):</b>	Cllr. Robin W Williams
<b>Head of Service:</b>	Ned Michael, Head of Housing Services
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<b>Local Members:</b>	Relevant to all Scrutiny Members

### 1 - Recommendation/s

The committee is requested to:

**R1 Recommend the Housing Revenue Business Plan 2025-2055 for the Executive's approval.**

### 2 – Link to Council Plan / Other Corporate Priorities

Housing is one of the 6 strategic aims in the Council Plan → “Ensuring that everyone has the right to call somewhere home.”

The Council Plan: 2023-2028 is our main strategic document.

### 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. In what ways does the Housing Revenue Account Business Plan enable the Council to realise the priorities of the Council's Plan 2023-2028?
2. The Business Plan again this year discusses an expansion programme to increase the Local Authority's housing stock. What are the risks associated with this objective?
3. How affordable is the Business Plan in the current financial climate?
4. How achievable is the priority to maintain and work towards the Welsh Housing Quality Standards 2023?
5. How is it proposed to prioritise delivering the Business Plan in the communities where there is demand?

#### 5 – Background / Context

##### 1.0 Background

**1.1** This Report and Business Plan has been prepared in conjunction with Officers from the 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 ensures its stock complies with the Welsh Housing Quality Standard (WHQS) – there remains to be some properties that are classified as 'acceptable fails';
- how the Council intends to maintain and work towards the WHQS 2023; and
- the investment required to fund its programme for developing new social housing.

**1.2** Through its Housing Revenue Account, the council manages and owns 4042 properties and 669 garages across the Island. During the period of this Business Plan our housing stock will grow by more than 25%, to more than 5000 properties, to meet the increasing demand for local housing. We currently have more than 852 people on the waiting list for Social Housing, including 94 families in temporary accommodation on the Island, the likes of which have never been seen before.

**1.3** The HRA Business Plan (Appendix 1) contributes towards the fundamental themes within the Council's Corporate Plan. The main contribution is towards ensuring that everyone has the right to call somewhere home, Social Care and Wellbeing as well as Economic Development.

**1.4** 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 The Welsh Housing Quality Standard (WHQS)**

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

2.2 We remain fully committed to meeting the WHQS 2023, published in November by Welsh Government. During 2023/24, we undertook a stock condition survey of our housing stock and obtained access to 88% of our properties to establish a baseline in preparation for the new 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.
- Have modern 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 2025-2026**

3.1 The Business Plan includes a capital programme worth approximately £13m. This includes a provision for external work, work associated with fire risks, asbestos, adaptations for disabled people and energy efficiency work. The budget also allows for complying with the WHQS by targeting acceptable fails and environmental standards.

### **3.2 Energy and Decarbonisation**

We will continue with this programme during 2025/26 and £3m has been allocated in the budget to install 500 solar panels with battery storage, making a positive contribution towards energy efficiency and carbon reduction targets and reducing the costs faced by our tenants.

We will undertake an investment appraisal and planning exercise to appraise our energy performance, carbon reduction targets and compliance with the Energy Pathway in preparation for the expectations of the WHQS 2023.

3.3 A provision of £7.1m has been included in the budget for responsive repairs, cyclical and planned maintenance.

3.4 Also, a sum of £3.76 million has been included in the 2025-26 budget for developing new council housing and buying back former council houses on Anglesey. The Business

Plan assumes a development programme of 37 units and for refurbishment works on approximately 10 units on the former council houses in 2025-26 and throughout the period of the Business Plan.

#### **4.0 Financial Model and Assumptions**

4.1 A 30 year financial model is required to support the HRA Business Plan which is submitted to Welsh Government.

4.2 On the 13th November 2024 the Welsh Government confirmed that it had agreed the Policy for Social Housing Rents for 2025/26.

The Minister decided that the maximum rent uplift for the year across the housing stock would be 2.7%.

4.3 A robustness test was undertaken to consider the risks, separately and collectively, to ensure the viability of the business plan throughout its 30-year period. Unfortunately, the test has failed due to the rent restriction and increased demands on capital expenditure resulting from WHQS2023. It is our intention to put this to the Welsh Government to make it clear that the requirements on the HRA are not sustainable.

### **6 – Equality Impact Assessment [including impacts on the Welsh Language]**

#### **6.1 Potential impacts on protected groups under the Equality Act 2010**

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

#### **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**

Not applicable in this case but will be an essential consideration when reviewing policies or working arrangements.

### **7 – Financial Implications**

The HRA is ring-fenced and is separate to the Council's Budget.

### **8 – Appendices:**

Housing Revenue Account Business Plan 2025-2055

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





# Ynys Môn

THE ISLE OF

# Anglesey



## Housing Revenue Account 2025-2055 Business Plan

Mae'r ddogfen yma hefyd ar gael yn y Gymraeg

This document is also available in Welsh



CYNGOR SIR  
YNYS MÔN  
ISLE OF ANGLESEY  
COUNTY COUNCIL

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

# FOREWORD

- The purpose of this Housing Revenue Business Plan is to outline the strategic vision, financial management and operational framework that will guide our housing services over the coming years.
- As we continue to respond to the evolving needs of our community, this plan serves as a blueprint for delivering high quality, affordable housing that enhances the lives of our residents and long-term sustainability.
- We are committed to providing safe and well maintained homes for all, ensuring that our resources are used efficiently and effectively.
- The key objectives include maintenance and improvement of our housing stock, enhancing resident engagement and securing financial viability while meeting legislative and regulatory requirements.
- Anglesey is a safe place and the majority of residents feel safe and are very satisfied with their homes. 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.

# Why do we need a Housing Revenue Account Business Plan?

The format of this business plan has been adapted to ensure our aims are communicated in a way that everyone can understand.



- The HRA Business Plan outlines the strategic approach to managing finances, ensuring efficient and sustainable operation of affordable housing.
- The objective is to generate sufficient income to cover housing related expenses while maintaining and improving housing stock, meeting housing demand and investing in long-term improvements and development.
- The plan will provide a framework for revenue generation, cost management and long-term financial sustainability, ensuring that the HRA fulfills its obligations and meets tenants needs.





## TAI MÓN HOUSING VISION

***“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:-

- Focusing on our customers' needs and being responsive to them.
- Supporting our customers, tenants, colleagues and key partners to enable us to support our communities.
  - Innovating to improve our housing provision by taking advantage of legislative changes and seeking to reduce waste associated with the development process
  - Innovating to improve services and secure value for money for our tenants and residents.

## OVERVIEW OF THE HOUSING SERVICE

The Housing Service/Tai Mon employs 150 members of staff and have a revenue budget of £23M and capital budget of £29.5M. Funding for the HRA is mainly from Social Housing Grant, Rent & Service Charges Income, Major Repairs Allowance, and other grants from Welsh Government.

The Housing Service consists of the following teams :-

Income Team  
Repairs & Maintenance Team  
Tenant Participation Team  
Housing Development Team  
Housing Options Team  
Financial Inclusion Team  
Estate Management Team  
Information Technology Team

Our service vision is *“Ensuring that everyone has the right to call somewhere home”*

The services we provide includes tenancy management, tenancy support, community engagement, repairs & maintenance, planned maintenance, rent collection & financial support, housing allocations and affordable housing provision.

## What is Corporate Governance

Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

The Council sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and also the culture and values, by which the Council is directed and controlled and how it accounts to and engages with its citizens.

## What is the Code of Corporate Governance?

To demonstrate good governance, the Council must show that it is complying with the core (and supporting) principles contained within the Framework for Delivering Good Governance in Local Government (CIPFA / Solace, 2016). The established principles are:

*Principle A* - Ensuring openness and comprehensive stakeholder engagement

*Principle B* - Defining outcomes in terms of sustainable economic, social, and environmental benefits

*Principle C* - Determining the interventions necessary to optimise the achievement of the intended outcomes

*Principle D* - Developing the entity's capacity, including the capability of its leadership and the individuals within it

*Principle E* - Managing risks and performance through robust internal control and strong public financial management

*Principle F* - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

# Council Plan 2023-2028

The Council Plan's vision is to:

'Create an Anglesey that is healthy and prosperous where people can thrive.'

- The Council Plan is the key document serving as a focal point for decision-making at all levels; providing a framework to plan and drive forward priorities; shape annual spending; monitor performance and progress.
- At its core is our desire to work with Anglesey residents, communities and partners to ensure the best possible services, improve the quality of life for all and create opportunities for future generations.
- Its six main objectives reflect the key areas Isle of Anglesey County Council Housing Services should be focusing its efforts on.

## Our six strategic objectives



The Welsh Language

Increasing opportunities to learn and use the language.



Social Care and Wellbeing

Providing the right support at the right time.



Education

Ensuring an effective provision for today and for future generations.



Housing

Ensuring that everyone has the right to call somewhere home.



Economy

Promoting opportunities to develop the Island's economy.



Climate Change

Responding to the crisis, tackling change and working towards becoming a net zero organisation by 2030.



[Council Plan 2023 to 2028 \(gov.wales\)](https://gov.wales/council-plan-2023-to-2028)

# Values

- The Council Plan 2023-28 is underpinned by the organisation's core values, which are used to develop and guide the vision, strategic plans and services.
- As a key department within Isle of Anglesey County Council, Housing Services adhere to these values throughout all of our interactions with tenants & customers.

## Values



### Respect

We are respectful and considerate towards others regardless of our differences.



### Collaborate

We work as a team, with our communities and partners to deliver the best outcomes for the people of Anglesey.



### Honesty

We are committed to high standards of conduct and integrity.



### Champion the Council and the Island

We create a sense of pride in working for the Council and present a positive image of the Council and the Island.

# Strategic circle

- The strategic circle identifies the plans in place to ensure we can achieve our priorities and objectives.
- This Housing Revenue Account Strategic Business plan is aligned with the Council's Plan and contributes to the achievement of the strategic objectives and vision.
- **Delivering the strategic priority, together with key priority areas, sets a clear and ambitious mandate.**

## We want to ensure that we:

Make best use of existing housing stock and improving homes and communities (Theme 2 of the Council's [Housing Strategy 2022-27](#))

Support to promote housing independence (Theme 4 of the Council's [Housing Strategy 2022-27](#))

- Achieve WHQS2023 and our Strategic Tenants Participation Plan



# INCOME MANAGEMENT

## Why is this important?

- **Funding for Housing Services** - The HRA income is crucial for the financial health and sustainability of local housing programs and ensures the housing services such as repairs & maintenance, housing management can be delivered effectively. The income generated ensures that essential services can be sustained without relying on general funds or taxpayers.
- **Investment in New Housing** – surplus income can be reinvested into building new housing or enhancing the housing stock, supporting the local community and addressing housing demand by providing affordable homes to communities.
- **Self-Financing** - the HRA is a self-financing model meaning it generates enough income to cover its costs without relying on external funding.

## What are we going to do?

- Provide support to tenants who may be in financial difficulty to maximise our rental income. This will include discussions regarding downsizing, accessing financial support via our Rent Support Scheme, referrals for DAF / DHP.
- Continually achieve sustainable tenancies through pre-tenancy affordability due diligence.
- Maximising our income through various grants available.
- Reducing our voids to maximise income and ensure efficient use of our stock.
- Tenant retention and satisfaction.
- Reducing our maintenance operational costs.

## How are we going to do this?

- A patch-based specialist Housing Management Officer supporting all tenants in arrears.
- Encouraging options to improve financial resilience, to include referrals for Financial Inclusion or Welfare Rights support.
- Increasing our housing stock to allow for more affordable options – such as downsizing opportunities.
- Ensure all grants available are claimed within the financial year.
- Increase focus on reducing void properties to improve performance.
- Looking at efficiency within our workforce to maximise output and reduce costs.

# INVESTMENT IN HOUSING DEVELOPMENT & FORMER COUNCIL PROPERTIES

## Why is this important?

- Providing affordable homes is essential to low income families who may struggle in the current market climate.
- Providing economic growth and contribute to job creation.
- Can be crucial in addressing homelessness by making homes accessible to those who are at risk of becoming homeless.
- Improving living conditions and quality of life where new developments can lead to creation of modern, energy efficient and safer living environment.

## What are we going to do?

- Develop 14 properties in Newborough at Social Rent.
- Develop 14 properties in Holyhead at Intermediate Rent.
- Develop 9 properties in Llanfaethlu at Intermediate Rent.
- Continue to work on all the buy back properties recently purchased.
- Progress with the extra care accommodation in Menai Bridge.

## How are we going to do this?

- Maximise the use of Welsh Government social housing funding.
- Continue to work with our RSL partners to increase Ynys Môn social housing stock.



# WELSH HOUSING QUALITY STANDARDS 2023

## Why is this important?

- WHQS 2023 is important as it sets the minimum standards for social housing in Wales, ensuring that homes are safe, sustainable, and provide a good quality of life for tenants.
- It is a legal requirement for all Welsh Registered Social Landlords to achieve the WHQS 2023 within 10 Years.
- Aimed to improve the quality of Social Housing on Anglesey and to reflect changes to how people live, work and feel about their homes, and to start the decarbonization of the Welsh Social Housing Stock.

## What are we going to do?

- Ensure our stock meet specific criteria related to health, safety and comfort, including requirements for heating, insulation, ventilation and access to basic amenities.
- Focus on improving energy efficiency by helping to reduce fuel poverty supporting efforts to combat climate change.
- Achieve net zero by 2033.
- Provide flooring coverings for each home for a new tenancy.

## How are we going to do this?

- Through our tenants and workforce
- By upskilling Technical Housing staff with the Net zero ambition
- HRA Capital Investment
- Welsh Government Investment
- Use of Local suppliers & contractors.
- Fully utilise the WHQS2023 Grant to support the implementation.

# CAPITAL PROGRAMME 2025/26

## Why is this important?

- It involves the planning, funding, and delivery of long term investments in our assets.
- Capital programmes stimulate economic activity by investing in projects that create jobs and support local businesses.
- Meeting regulatory requirements such as health & safety standards, environmental guidelines and accessibility requirements.

## What are we going to do?

- Allocate financial resources for the develop, maintenance and improvement of our stock.
- Carry out long-term investments to enhance the quality, affordability and sustainability of housing.
- Ensure compliance with standards.
- Ensure our existing stock are maintained, modernised and upgraded.
- Fully utilise the finance available.

## How are we going to do this?

- Invest £13.8M in our stock by :-
- Spending £5M on internal WHQS works & asbestos.
- Spending £3.2M on traditional Planned Maintenance programmes.
- Spending £500k on Fire Risk management.
- Spending £250k on Central Heating works.
- Spending £500k on Environmental works.
- Spending £3.5M on Energy Performance works.
- Spending £500k on Public Sector Adaptations.
- Spending £350k on fleet renewal.

# DECARBONISATION

## Why is this important?

- Reduce the amount of CO2 and other greenhouse gases.
- Helps to mitigate climate change.
- Improving public health.
- Economic opportunities.
- Securing a sustainable future.

## What are we going to do?

- Prepare a Target Energy Pathway for the council's housing stock detailing how the affordable heating and decarbonisation standards will be met.
- Carry out a 5 year programme for the longer term delivery of renewable energy and decarbonisation measures to install Solar PV systems across the housing stock and targeting properties which are not connected to mains gas network.
- Help households save on energy bills and reduce carbon emissions by improving their energy efficiency.

## How are we going to do this?

- Fully utilise the Optimised Retrofit Grant to support our decarbonisation goals.
- Utilise the ECO4 Flex Grant.
- Use the Stock Condition Survey to undertake a comprehensive review of gathered data to evaluate energy efficiency, carbon reduction targets and Energy Pathway compliance.

# TENANT PARTICIPATION

## Why is this important?

- Improves quality of housing.
- Fosters stronger communities.
- Provides improved decision making.
- Provides increased satisfaction.
- Better accountability.
- Shaping policies that are more responsive to real life needs.
- Promotes inclusivity and diversity.
- Improves relationship between tenants and landlords.

## What are we going to do?

- Encourage tenants to work in partnership with Housing Services to influence decisions and improve services.
- Ensure effective engagement and information on matters relating to Housing Services.
- Empower our Tenants to influence and shape our services.
- Ensure Tenants have the capacity and confidence to participate.
- Provide Tenants with the opportunity to discuss issues and provide input at a strategic level.

## How are we going to do this?

- We will work to embed Tenant participation across housing services.
- Over the next 5 years, our approach will be to regularly review and develop together with our Tenants to ensure effective representation falls in line with our vision and helping us to achieve the aims of the Tenants Participation strategic plan.
- A 12-month Action Plan will be co-developed and monitored quarterly by the Tenant Participation monitoring group.
- Membership will also be monitored to ensure equal representation from staff and Tenants so that we can successfully work in partnership to improve services in line with Tenants needs.

# TENANCY SUPPORT

## Why is this important?

- To help tenants sustain their tenancy.
- Improves well-being of our tenants.
- Provides financial stability.
- Conflict resolution.
- Maximise income.

## What are we going to do?

- Promote financial and digital inclusion initiatives to empower tenants to manage their finances effectively.
- Investigate and address complaints of nuisance and anti-social behaviour to resolve disputes at an early stage to prevent escalation.
- Maximising income, improving budgeting and IT skills of vulnerable households to help them to manage and generally improve their life outcomes and sustain their housing.

## How are we going to do this?

- Ensure effective partnership working by building strong relationships and clear communication.
- To provide information, advice and support to clients with a strong focus on increasing the financial and digital capability.
- Work closely with the relevant support agencies to develop individual support plans to assist individuals to sustain tenancies.

# PERFORMANCE MANAGEMENT

## Why is this important?

- Helps to align our goals.
- Maximise efficiency & improve productivity.
- Provide continuous improvement.
- To set clear expectations.
- Ensure staff motivation & engagement.
- Improves communication.
- Accountability.

## What are we going to do?

- Close monitoring of Housing KPI's.
- Identify training needs
- Identify skills gap
- Improve workforce efficiency
- Monitor sickness performance
- Monitor our Risk Register

## How are we going to do this?

- Ensure Housing KPI's are shared with all Housing staff.
- Carry out review of performance indicators to identify trends, target areas and introduce new performance indicators.
- Carry out workforce productivity analysis.
- Ensure all staff appraisals are conducted.
- Carry out the Star survey