

Public Document Pack

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Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



To: Cllr Ron Hampson (Chair)

CS/NG

Councillors: Amanda Bragg, David Cox,
Paul Cunningham, Peter Curtis, Ron Davies,
Rosetta Dolphin, Jim Falshaw,
George Hardcastle, Ray Hughes,
Hilary Isherwood, Brian Lloyd, Mike Reece,
Gareth Roberts and Sharon Williams

9 October 2014

Sharon Thomas 01352 702324
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Dear Sir / Madam

A meeting of the **HOUSING OVERVIEW & SCRUTINY COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **WEDNESDAY, 15TH OCTOBER, 2014** at **10.00 AM** to consider the following items.

*** Members of the Corporate Resources Overview & Scrutiny Committee have been invited to attend for Agenda Item 4**

Yours faithfully

Democracy & Governance Manager

AGENDA

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 1 - 6)

To confirm as a correct record the minutes of the meeting held on 10 September 2014 (copy enclosed).

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The Council welcomes correspondence in Welsh or English
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

- 4 **WELFARE REFORM UPDATE** (Pages 7 - 26)
Report of Chief Officer (Community and Enterprise) enclosed.
- 5 **WHQS DELIVERY PROGRAMME UPDATE** (Pages 27 - 46)
Report of Chief Officer (Community and Enterprise) enclosed.
- 6 **INTRODUCTION OF SELF FINANCING FOR THE HOUSING REVENUE ACCOUNT** (Pages 47 - 52)
Report of Chief Officer (Community and Enterprise) enclosed.
- 7 **USE OF COMMUTED SUMS** (Pages 53 - 68)
Report of Chief Officer (Community and Enterprise) enclosed.
- 8 **FORWARD WORK PROGRAMME** (Pages 69 - 74)
Report of Housing and Learning Overview and Scrutiny Facilitator enclosed.

Agenda Item 3

HOUSING OVERVIEW & SCRUTINY COMMITTEE 10 SEPTEMBER 2014

Minutes of the meeting of the Housing Overview & Scrutiny Committee of Flintshire County Council held in the Delyn Committee Room, County Hall, Mold on Wednesday, 10 September 2014

PRESENT: Councillor Ron Hampson (Chairman)

Councillors: Amanda Bragg, David Cox, Paul Cunningham, Peter Curtis, Rosetta Dolphin, Jim Falshaw, George Hardcastle, Ray Hughes, Hilary Isherwood, Brian Lloyd, Mike Reece and Gareth Roberts

SUBSTITUTE: Councillor Marion Bateman (for Ron Davies)

APOLOGY: Chief Officer (Community & Enterprise)

ALSO PRESENT: Councillors Bernie Attridge attended as an observer

CONTRIBUTORS: Leader of the Council and Cabinet Member for Finance, Cabinet Member for Housing, Neighbourhood Housing Manager, Housing Regeneration & Strategy Manager, Community Support Services Manager and Housing Asset Manager

Chief Officer (Governance) and Solicitor (Housing & Planning) - for minute number 24

IN ATTENDANCE: Housing & Learning Overview & Scrutiny Facilitator and Committee Officer

Mr Paul Goodlad of Wales Audit Office was in attendance as an observer

Pursuant to section 62 of the Local Government (Wales) Measure 2011 and paragraph 5.26 of the Statutory Guidance from the Local Government Measure 2011, a member of the public, Mr Peter Parkinson, was in attendance to speak on minute number 24.

22. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Councillor Hilary Isherwood declared a personal interest on all agenda items due to her husband being the Shadow Housing Minister.

23. MINUTES

The minutes of the meeting held on 7 July 2014 had been circulated with the agenda.

RESOLVED:

That the minutes be approved as a correct record and signed by the Chairman.

24. TENANCY AGREEMENT CONSULTATION

The Chairman welcomed Mr Peter Parkinson to the meeting and explained the process by which he was permitted to speak on the item.

The Neighbourhood Housing Manager introduced the report which gave an overview of the formal consultation process in relation to the Council's intention to introduce a revision of its tenancy conditions and sought Members' views on the proposal for charges to be incurred by either the Council or tenant upon failure to gain access to a property for a pre-arranged appointment.

The Choices Document, made available to Council tenants prior to the housing ballot, included an undertaking to update the Tenancy Agreement for reasons of transparency, to aid its understanding and to reflect changes in legislation over the past 20 years. Consultation on the revised Tenancy Agreement had been launched at the tenants' conference in February 2014, followed by detailed information sent to tenants, providing an opportunity to respond to the proposed changes. In addition, 15 drop-in sessions had been held across the county as well as officers visiting rural areas and information publicised on the Council's website and social media.

The report outlined the Council's responses to feedback received and in particular to concerns around the legal rights of tenants. It was explained that tenants' right to choose an alternative landlord was covered in Section 32 of the Housing Act 1985 which also included the right for tenants to be balloted on any housing stock transfer.

Mr Parkinson was then invited to address the Committee. He expressed his appreciation at being permitted to share his concerns about changes to the Tenancy Agreement which he had wanted to raise for some time. He stated that his preference was to speak only to the Committee Members and expressed his disappointment that permission had not been granted for Mr Steven Clarke, Chair of the Wales Tenants' Association to also speak on the item. Mr Parkinson went on to question the provision to amend the Tenancy Agreement within the Choices Document which he felt related only to the housing ballot. He went on to question the wording on tenants' rights which he felt applied only to English law, changes in the provision of the Warden Service and the length of the consultation period on the Tenancy Agreement in view of the number of consultees.

In welcoming Mr Parkinson to the meeting, the Leader and Cabinet Member for Finance advocated the approach for members of the public to exercise their right to request to speak on items at Overview & Scrutiny Committees. In recognising the progress made in terms of performance on the Choices Document and timescale to achieve the WHQS, he referred to the Council's significant contribution in seeking an exit from the Housing Revenue Account (HRA) subsidy system which was much welcomed in the current financial climate. He referred to the outcome of the housing ballot, where 88% of tenants voting had voted against a stock transfer - the highest housing ballot turnout in Wales to date - and stressed the importance of the Council consulting with tenants and honouring the commitments made within the Choices Document. Whilst he understood Mr Parkinson's concerns around tenants' right to choose an alternative landlord, there was a need for the Council to show

transparency in clarifying all tenants' rights. In summarising, he felt it was now appropriate for the detailed consultation process to come to an end so that the views of the Committee could be sought prior to a report back to Cabinet at an appropriate time to receive all feedback, including that from Mr Parkinson.

In response to Mr Parkinson's reference to the Choices Document relating only to the housing ballot, the Neighbourhood Housing Manager pointed out that the Document set out the promises to tenants whether the housing stock was retained by the Council or transferred to Dee Housing to clarify accountability for both options. She added that part of that commitment included a review of the Tenancy Agreement to show transparency on legal issues and that any issues with delivery of promises in the Choices Document would need consultation with tenants. She went on to point out that the entire consultation process had taken around three months to maximise opportunities for involvement and that wording in the document reflected tenants' rights and not the Council's intention to transfer housing stock. She offered to pick up the issues about the Warden Service outside the meeting as this was not within her remit.

Concerning the comments on English law, the Solicitor (Housing & Planning) advised that provisions within the Housing Act 1985, such as the transfer of land in Local Authority stock, applied in both England and Wales, although some others were subject to change by the Welsh Government.

Mr Parkinson went on to comment on tenants' rights to choose an alternative landlord and the lack of information around this.

The Chairman thanked Mr Parkinson for his comments and his participation in the meeting.

Councillor Peter Curtis welcomed the involvement of a member of the public at the meeting and praised Mr Parkinson for his knowledge on this particular subject. Whilst Councillor Curtis also had issues with certain areas, he acknowledged that these could not be excluded as they were legal rights which formed part of the Tenancy Agreement.

Councillor Rosetta Dolphin welcomed the work undertaken on the Tenancy Agreement to reach the current position but raised concerns that the proposed condition for charges on missed appointments may have a financial impact on the Council if officers were at fault.

The Neighbourhood Housing Manager advised that a wider discussion on the proposed charges for missed appointments would be required before any provision could be included in the Agreement.

On the consultation drop-in sessions, Members noted that areas such as Ffrith, Cymau, Greenfield, Pen-y-Maes, Strand (Holywell) and Flint had been excluded. Councillor Hilary Isherwood stressed the importance of covering rural areas, particularly those with limited bus services.

Councillor Marion Bateman referred to the waiting list of properties for Disabled Facilities Grant (DFG) work and sought clarification on the Council's

approach where DFG adaptations had been carried out at a property but were no longer necessary as the relevant occupant had moved on.

The Housing Regeneration & Strategy Manager explained that DFG legislation stated the intention for the individual to live at the property for five years but that where the occupants had moved on, cases were assessed individually to determine the circumstances. For those in secured tenancies, whilst the Council could be proactive in encouraging relocation, the nature of the Tenancy Agreement meant that a move could often not be enforced.

The Solicitor (Housing & Planning) said it was his understanding that an option was open for the Council to pursue possession proceedings in these types of situations and where alternative accommodation had been refused, however he would confirm this and provide a response to Councillor Bateman. He went on to provide clarification to a question from Councillor Gareth Roberts on joint tenancies.

On DFG adaptations undertaken at properties in secured tenancies, the Chief Officer (Governance) provided explanation on entitlement to inherit and “succeed” to a property, although this could only happen once. He agreed to look into any particular cases that were brought to his attention.

Councillor George Hardcastle asked about the removal of stairlifts which were no longer required, for relocation elsewhere. The Housing Regeneration & Strategy Manager spoke about policy changes agreed by the Council earlier in the year to take a more considered approach to property adaptations in family houses and upper floor flats which formed part of the Council’s housing stock. He referred to a framework agreement with the stairlift provider to remove and relocate stairlifts which were no longer required.

The Cabinet Member for Housing referred to the need to build more ‘homes for life’.

Councillor Ray Hughes raised concerns about the increasing need for DFG adaptations and rising costs.

On the proposed charges for missed appointments, Members felt that a degree of flexibility was needed and that the topic should be considered in more detail by the Committee, with information on charges. The Neighbourhood Housing Manager said that the issue, including consideration of levels of charges, would require discussion and approval.

RESOLVED:

That the content of the report be noted and the final implementation stage of the new agreement, which will involve writing to all tenants, be supported.

25. IMPROVEMENT PLAN MONITORING REPORT

The Housing Regeneration & Strategy Manager introduced the report for the Committee to note and consider elements of the 2014/15 Improvement Plan Monitoring Report relevant to the Committee for the period April to July 2014.

He gave a short presentation on performance within each of the sub-priority areas, highlighting work which had been undertaken to improve performance and areas where improvement was needed, as outlined within each report. It was noted that there were no areas with a red 'RAG' status within the report.

Councillor George Hardcastle asked about the impact of Welfare Reform on households to date, particularly those who had suffered debt problems. The Housing Regeneration & Strategy Manager reported that the rollout of claims for Universal Credit accepted by Shotton Job Centre was being widened to include some other claimants. A detailed update report on Welfare Reform was scheduled for consideration at the next meeting of Committee.

RESOLVED:

That the report be noted.

26. FORWARD WORK PROGRAMME

The Housing & Learning Overview & Scrutiny Facilitator introduced a report to enable the Committee to consider the Forward Work Programme which had been populated to include Members' suggestions following the recent planning workshop.

It was agreed that to avoid any duplication, Members of the Corporate Resources Overview & Scrutiny Committee would be invited to attend the next meeting on 15 October 2014 to consider the Welfare Reform Update. Similarly, it was agreed that the Environment Overview & Scrutiny Committee would be invited to attend the meeting on 24 March 2015 for the item on Vibrant and Viable Places.

Councillor Mike Reece asked that a future item be scheduled on vans allocated to caretakers. In response to a question, the Neighbourhood Housing Manager said that proposed changes to Housing officer arrangements would reflect working patterns and that Housing officers would meet with Members for their respective areas around the end of the month.

Following a further question on nuisance neighbours in private properties, the Neighbourhood Housing Manager provided explanation on the Council's powers to take action where the issue affected Council tenants and/or the housing management function. Any other matters would need referral to the Community Safety Unit.

Councillor Rosetta Dolphin asked when the review of garage sites would be considered. The Housing Regeneration & Strategy Manager advised that this would be discussed under the Asset Management Plan item scheduled for the next meeting and the Council Housing Development item at the April 2015 meeting. He reported that following completion of most of the site visits, a list for future developments had been prepared based on feedback (including that from Members). He agreed to share this information with the Committee.

RESOLVED:

That the Forward Work Programme be updated accordingly.

27. MEMBERS OF THE PUBLIC AND PRESS IN ATTENDANCE

There was one member of the public in attendance.

(The meeting started at 10.00 am and ended at 11.08 am)

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Chairman

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

DATE: **WEDNESDAY, 15 OCTOBER 2014**

REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**

SUBJECT: **WELFARE REFORM UPDATE**

1.00 **PURPOSE OF REPORT**

1.01 To update Committee Members on the latest position with the reforms being introduced to the social security system and of the activities that are providing help and support to Flintshire residents who are affected by the reforms.

2.00 **BACKGROUND**

2.01 The on-going transformation of the social security system¹ is aiming to put social security expenditure onto an affordable and sustainable footing; simplify the system; and tackle the causes of poverty and worklessness by providing personalised support for people to help them to overcome the barriers, which are preventing them from returning to employment.

2.02 Many of the Flintshire households impacted by the welfare reforms are experiencing a reduction in their level of social security income. The Government maintain that majority of households who are losing social security income are being supported and incentivised to look for and enter employment with their earned income more than compensating the household for the loss of social security benefit income.

2.03 However, whilst Flintshire County Council proactively creates, promotes and supports increased employment opportunities within the County, it recognised that the welfare reforms would generate negative impacts upon some of the more vulnerable households within the County, particularly, households containing a sick and/or disabled person. For example, the sickness and disability benefit reforms are affecting residents who, due to their poor health, may not be best placed to replace their lost social security income with earned income. In addition, a disabled household, impacted by the spare room subsidy (commonly referred to as the bedroom tax) will find it more problematic to move to suitable alternative accommodation.

¹ The majority of the welfare reforms are being initiated through the Welfare Reform Act 2012 that came into effect on the 01 April 2013. However, some of the reforms pre-date the Welfare Reform Act, e.g., sickness benefit reforms which were introduced in 2011, but are only now taking full effect.

2.04 In response to these concerns, the Council, together with its partners, developed and implemented a range of proactive initiatives that aimed to protect vulnerable households from the experiencing the full force of the negative impacts inherent within the welfare reforms.

3.00 CONSIDERATIONS

3.01 The report will now provide an updated on the latest position with the implementation of the various changes to welfare benefits and upon the initiatives that are helping residents manage these changes.

3.02 Benefit Cap

3.02.1 The Government introduced the benefit cap to restrict the income from 'out of work benefits' that working-age claimants can receive to the level of the average working income after tax. This is assumed to be £500pw for couples/lone parents and £350pw for single people. Some households that include a person claiming certain sickness or disability benefits will be exempt from the benefit cap. If affected, a household's housing benefit entitlement will be reduced so that the total amount of benefit received is no longer higher than the cap level.

3.02.2 During the period 15th April 2013 to the 31 May 2014, around 43,500 households within the United Kingdom had their benefit capped. Forty-six percent of households are within London and of the top 20 local authorities, with the highest number of households affected by the benefit cap, only one was not in London and this was Birmingham.

3.02.3 The Benefit Cap is an ongoing process with the Department for Work and Pensions advising Flintshire's Housing Benefit department of new cases to be capped or removed from capping on a monthly basis. As at 24th September 2014, a total of 33 Flintshire households are subject to the benefit cap. Households impacted by the Benefit Cap continue to receive support to help them to manage the reduction on their household income.

3.02 Spare Room Subsidy

3.02.1 From the £19 billion reduction in the United Kingdom's expenditure upon social security payments (that the welfare reforms are projected to generate), the spare room subsidy is estimated to be reducing Housing Benefit expenditure by £250 million. However, whilst being the reform that is generating the least savings to the public purse, the spare room subsidy has proven to be the most controversial of all the changes to social security benefits that the Welfare Reform Act 2012 has introduced.

3.02.2 Numerous studies have analysed the impact of the spare room subsidy upon both tenants and social landlords, with the majority concluding that one of the main policy intents behind the introduction of the spare room subsidy, i.e., to encourage under-occupying households to downsize to

smaller properties and free up larger social housing properties for over crowded households, is not currently being attained. A report from the Department for Work and Pensions, published in August 2014, examining the 'early impacts' of the introduction of the spare room subsidy, found that nationally only 4.5% of under-occupying households had moved to smaller accommodation. Further information on the key findings within this report can be found within appendix 1.

3.02.3 On the 5 September 2014, an amendment to change how the spare room subsidy is applied to the Housing Benefit awards of under-occupying tenants was introduced within the Affordable Homes Bill as it continued its passage through the House of Commons. In summary, the amendment, if implemented, would exempt under occupying social housing tenants from having their Housing Benefit award reduced if they cannot find a smaller home. Likewise, tenants who are disabled and need a spare room, or who live in an adapted property would also be exempted from having their Housing Benefit reduced. The Affordable Homes Bill will now be subject to more detailed scrutiny at the committee stage.

3.02.4 At the end of August 2014, Flintshire County Council had 909 tenants whose Housing Benefit award was being reduced because they were deemed to be under occupying their home. The total reduction in Housing Benefits payments for these tenants is approximately £12,000pw. Please see appendix 1, for additional information on how Flintshire County Council tenants impacted by the spare room subsidy are being supported.

3.03 **Council Tax Reduction Scheme**

3.03.1 In January 2014, Flintshire County Council adopted the Council Tax Reduction Scheme (CTRS) for the 2014/15 financial year, with the availability of 100% reduction in eligible cases. In June 2014, the Welsh Government confirmed that the Council Tax Support scheme, which provides full support for low-income households, will continue in 2015/2016 and 2016/2017.

3.03.2 Although Flintshire County Council welcomes the Welsh Government commitment of 100% household support for a further two years it must be recognised that the funding of this support is based at 90% of the 2012/13 cost of Council Tax Benefit, with no recognition of annual increases in Council Tax, therefore there is an ongoing budgetary cost to Flintshire to support the scheme.

3.04 **Discretionary Assistance Fund (DAF)**

3.04.1 The Discretionary Assistance Fund (DAF) is a Wales wide scheme that offers grant payments to help people where there is a need to safeguard their, or a member of their households, health and well-being and the applicant has no other means of meeting their immediate cost of living. The DAF is being managed by Northgate Public Services who are

working in partnership with The Family Fund and Wrexham County Borough Council.

3.04.2 During its first year of operation, April 2013 to March 2014, Flintshire residents made 1,467 DAF applications with 963 (66%) applications being successful. The monetary value of the successful awards is £233,000. For information, the DAF spent £7.2 million of its annual budget of £10.2 million in 2013/14. During the first quarter of the current financial year, Flintshire residents made 325 applications to the DAF and 203 (62%) applications have resulted in a successful award.

3.04.3 There were concerns over the on-going funding from Central Government for the DAF scheme. However, it is understood that the Welsh Government will receive funding from to continue the DAF scheme from April 2015 onwards.

3.05 **Personal Independence Payments**

3.05.1 When Personal Independence Payment (PIP) was introduced in April 2013, it followed a period where Disability Living Allowance (DLA) had not been fundamentally reformed since it was introduced over 20 years ago. The Government maintain that the introduction of PIP is positively transforming the outdated disability benefit system as the PIP eligibility criteria and assessment is based upon a modern understanding of disability. For information, statistics released in September 2014, by the Department for Work and Pensions show that only 45% of PIP claims, made under the general application process, i.e., the applicant is not terminally ill, are successful.

3.05.2 In a report published in June 2014 by the Public Accounts Committee (PAC) it was noted that a failure to pilot the PIP scheme properly meant that critical assumptions about the application and assessment processes were not fully tested and have been proven to be incorrect. In particular, the PAC report highlighted that:

- encouraging claimants to apply by phone has deterred and delayed some disabled people from making a claim;
- many claimants have had to wait over six months for a decision on their PIP claim and have had to resort to Discretionary Housing Payments, food banks, loans and charitable donations to support the extra costs of living associated with their disability.

3.05.3 In response to the PAC report, the Secretary of State for the Department for Work and Pensions has confirmed that the delays faced by some people claiming PIP are unacceptable and has given a commitment to Parliament that by the autumn of 2014, no one will be waiting for a decision on their claim for longer than six months, and that before the end of 2014, no one will be waiting for more than 16 weeks to receive a decision on their application.

- 3.05.4 The Secretary of State has also confirmed there are no plans to postpone the large-scale reassessment of DLA claimants throughout the United Kingdom, under the PIP eligibility criteria. The reassessment, which will include over 2,000 Flintshire residents, will commence in October 2015. The Government project that the reassessment of DLA claimants will result in around 20% of current DLA claimants not being entitled to a payment under the PIP scheme as the eligibility criteria is more robust than that which governed entitlement to DLA. For information, the current success rate of DLA claimants transferring to PIP is 69%.
- 3.05.5 In addition to the Flintshire residents who will not meet the stricter eligibility criteria for PIP, there will be more residents, due to the process of assessing entitlement to disability benefits being extremely complex, who will receive a decision not to award them PIP which, when subjected to a legal challenge, will prove to be incorrect.
- 3.05.6 Thus, the Council and its partners will work together to put appropriate measures in place to ensure that Flintshire residents, whose disability benefit payment is subject to reassessment under the PIP criteria, have timely and easy access to specialist welfare benefit advice during the PIP assessment process, and, if necessary, access to Tribunal representation services to challenge adverse decisions. This is of particular importance due to the workings of the means-tested benefit calculation as, explained simply; the loss of a disability benefit can reduce the amount of Housing Benefit that a person is entitled too. Thus, people find themselves having less household income due to losing their disability benefit yet are expected to contribute more to their rent than they did when they had a higher level of income.
- 3.06 **Universal Credit**
- 3.06.1 Perhaps the most far-reaching provision within the Welfare Reform Act 2012 is the introduction of Universal Credit. The Government maintain that Universal Credit will address a number of problems with the current means-tested benefit system. For example, the complexity of the current system causes confusion about entitlements and about the financial gains that can be obtained from work. The cumulative effects of these problems, the Government argue, mean that people are reluctant to take the risk of moving into work and a culture of benefit dependency is engendered.
- 3.06.2 There is consensus amongst key stakeholders that the principles of Universal Credit are positive, for example, creating a single benefit that is responsive to changes in a claimant's circumstances and contain incentives that aim to make work pay. However, there are concerns around the serious implications for claimants if the computer systems required to deliver Universal Credit are not fit for purpose, or if support is not available to help residents prepare for the changes and challenges that claiming Universal Credit will bring.

- 3.06.3 The Department for Work and Pensions (DWP) is introducing Universal Credit in a measured and controlled manner. Currently, Universal Credit is only available to unemployed single people and couples who meet specific criteria and live within localities served by 44 Jobcentres across the United Kingdom. However, the Secretary of State for the Department for Work and Pensions recently announced that by April 2016, Universal Credit will have been rolled out to all Jobcentres and local authorities across the United Kingdom for new claims from single jobseekers.
- 3.06.4 The latest national statistics show that between April 2013 and 31 August 2014, a total of 13,260 people across the United Kingdom had claimed Universal Credit and 11,070 are still live claims. Seventy percent of claimants were male and sixty percent aged under 25. Shotton Jobcentre began to accept Universal Credit claims from single claimants on the 7 April 2014 and from couples on the 28 July 2014. At the 03 October 2014, a total of 177 people, living within the Shotton catchment area, have made a claim for Universal Credit and 163 claims are still live.
- 3.06.5 The DWP are responsible for managing the major programme to roll out Universal Credit throughout the United Kingdom. However, at a local level, the Council has a leading and critical role to play in the development and implementation of measures that will overcome the various challenges that claiming Universal Credit will bring for some residents. For example, managing a household budget on a monthly basis and being responsible for paying their own housing costs.
- 3.06.6 To formalise the processes that would be needed to underpin the safe introduction of Universal Credit within Flintshire the Council and the DWP have implemented a 'Local Delivery Agreement'. This agreement details the support services that are available to help residents claiming Universal Credit. The agreement also provides the DWP with direct access to technical advice from the Council's Housing Benefit Department on Universal Credit claims that include housing costs. The DWP are funding the additional resources that are required to provide the local delivery agreement during the period April 2014 to March 2015.
- 3.06.7 From the 177 Universal Credit claims made by Flintshire residents, only one person required support to make their claim on-line and nine people have been referred to Flintshire Citizen Advice Bureau for personal budgeting support to enable them to better manage their monthly payment. Flintshire's Housing Benefit Service has also received twenty-five requests from the DWP for technical advice with Universal Credit claims that included housing costs. The low numbers currently claiming Universal Credit and needing to access support will not affect the level of funding provided by the DWP to fund the local delivery agreement during the current financial year. However, the DWP may use these figures to propose a reduction in the level of funding they provide in the next financial year. However, when negotiating future funding levels, the Council will ensure the DWP acknowledge the fact that currently

Universal Credit is being delivered to the less problematic claimant groups and the need for support will increase as the roll out of Universal Credit extends to include claimant groups with more complex needs.

- 3.06.8 The Council, alongside other local authorities and the National Housing Federation, has been encouraging the DWP to amend the Universal Credit new claim procedures to a process that will lend itself to the proactive use of the 'alternative payment arrangements'. It is pleasing to report that the DWP are introducing changes to improve their processes for Universal Credit claims that include housing costs to lessen the potential for the monthly payment method to increase rent arrears.
- 3.06.9 The latest improvement introduced provides an opportunity for a social housing landlord to be notified when one of their tenants makes a claim for Universal Credit. Being notified at the start of the Universal Credit claim process will allow a landlord, in appropriate cases, to make a request for their tenants housing cost element to be paid direct to themselves under the alternative payment arrangements, prior to the first payment of Universal Credit being made to their tenant.
- 3.06.10 As a social landlord, the Council welcomes these positive changes and recognises they will help to prevent rent arrears accruing whilst a tenant claiming Universal Credit is supported to adjust to the new way within which they will have to manage their household budgets. However, as the changes only relate to claims made by social housing tenants, the Council is continuing to work with the DWP to assess the potential for the same or similar processes to be introduced for Universal Credit claimants renting in the private rented sector.

3.07 **Discretionary Housing Payments (DHP)**

- 3.07.1 The Department for Work and Pensions have increased DHP funding to assist claimants who have been affected by welfare reform, this assistance generally should be temporary assistance until a claimant is able to adapt to the challenges and changes. The Council also provides funding within its base budget for DHP payments and this was re-profiled in the 2014/15 budget to take account of the level of DWP funding and levels of demand.
- 3.07.2 FCC Housing Benefits Department have established protocols to ensure DHP is available to support affected claimants with an application process to ensure that help is provided in accordance with Department for Work and Pensions guidelines.
- 3.07.3 FCC Housing Benefits Department are actively engaged in a Pan Wales DHP project to share Flintshire's approach and protocols, which are already established and accepted as good practice. The purpose of this group is to develop a Policy Framework, which sets out an agreed approach to the decision making for DHP's. This will make discretionary decision making more systematic, consistent and transparent in Wales.

Whilst, at the same time, maintaining and protecting the element of discretion and giving decision makers the power to take into account unusual or special circumstances presented within an application.

- 3.07.4 As at 31st July 2014, DHP totalling £119,990, has been paid to eligible claimants. A review of applications up to 31st July 2014, shows that 81% of applications were approved with landlord sector approval of :-
- Flintshire 82%
 - RSL 91%
 - Private 74%
- 3.07.5 The Council's continued proactive work with DHP claimants will help to identify strategies and support which will assist some to reduce their dependency on DHP, whilst identifying those who will be in need of this type of support for a considerable period of time.
- 3.08 The Flintshire Tackling Poverty Partnership (TPP) comprises of representatives from advice and support providers operating within the County, the Department for Work and Pensions and Credit Unions. The primary aim of the TPP is the development of a more strategic and coordinated approach to the funding, planning, and delivery of advice and support services in Flintshire. The TPP reports as an Improvement Plan priority and as part of the Local Service Board where Welfare Reform is one of the three workstreams of the Health, Wellbeing and Independence priority of the Single Integrated Plan.
- 3.08.1 The TPP has acknowledged that the on-going transformation of the social security system will generate increased demands upon front line advice and support service providers, particularly in the fields of welfare benefit, debt, housing advice and financial inclusion/ capability services. Unfortunately, at the same time as the welfare reforms are increasing the demand for access to social welfare advice services, the provision of such services has been reduced by changes to Legal Services funding and reductions in other funding streams.
- 3.08.2 The TPP is committed to maintain, as much as practical, the provision of quality advice and support services within the County, as these services are the essential ingredient that enable households to resolve many of the problems the changes to their social security entitlement will generate. Therefore, the TPP is supporting workstreams, which aim to maximise the effective and efficient use of available advice and support services resources through reducing duplication in process and streamlining the contact point for the customer. The workstreams include: (For information, future reports will provide more detail on these workstreams.)
- 3.08.3
- Flintshire Advice Referral Gateway: in May 2014, Flintshire County Council secured grant funding from the Welsh Government and the Department for Work and Pensions to fund the cost of a 12-month

post within Flintshire Citizen Advice Bureau to develop an Advice Gateway to complement and work in partnership with the Flintshire Housing Support Service Gateway. The aim of the Gateways is to maximise the use of limited resources through reducing duplication of effort and enhance the customer experience by ensuring those in need of advice and support have timely and ease of access to the most appropriate advice and/or support service provider.

As the Advice Gateway is being developing it is only accessible to Flintshire residents who are referred by a service provider and, presently, a resident cannot self refer. During the period May 2014 to August 2014, the Advice Gateway dealt with 151 referrals, made from a range of providers. All referrals managed within the Gateway are holistically triaged to accurately collect all appropriate information, resulting in the person being referred to the most the appropriate service provider, improving both customer service and maximising provider resources as the time wasted in handling inappropriate referrals is reduced.

The Advice Gateway is also enabling objective information on the need and type of advice within Flintshire to be collected and collated in order for gaps in service provision to be identified, etc. The 151 referrals so far managed within the Gateway generated 301 separate social welfare problems. Approximately 63% of the problems related to a welfare benefit issue and 28% were in reference to debt issues.

- 3.08.4 ▪ Welfare Reform Response Team (WRRT) was established in May 2013 to directly target advice and support at vulnerable households throughout Flintshire who are at most risk of losing household income and may face an increased risk of homelessness.

During the period May 2013 to August 2014, the team directly targeted over 250 households. The interventions with these households helped them to implement solutions that have alleviated, in full or part, the difficulties that they faced as result of losing welfare benefit income.

The WRRT has demonstrated that early intervention through the direct targeting of offers of help and support to households does generate very positive results. However, engaging with the households who have not 'asked for assistance' are resource intensive and the optimum outcomes tended to be obtained through face-to-face interactions with householders in their own home. Due to uncertainty over on-going funding, two of the three people within the WRRT left to take up new employment opportunities. However, additional funding has now been obtained from the Welsh Government to enable recruitment of new staff to continue the excellent work that is delivered by the WRRT until the end of the current financial year.

- 3.08.5 ▪ *Empowering Flintshire's Front Line Service Providers*: to help manage the increase in demand for specialist advice on welfare benefits, housing, debt, etc, the pressures upon advice providers needs to be eased as much as possible. For example, by empowering front line (non-advice) practitioners to deal with basic social welfare queries raised by households they are supporting in order to reduce the number of residents who are referred to an advice service provider to have such queries answered. Therefore, staff within front line service providers, are being trained so they possess the knowledge, skills and the confidence to provide basic advice and support to their service users who are impacted by the welfare reforms and help them to begin to implement measures that will assist them to manage any reduction in their household income.

Since November 2012, thirty-two training courses and briefing sessions have been delivered to staff from service providers throughout the County. These sessions have provided the participants with a better understanding of the implications of the Welfare Reform Act 2012, of individual benefits such as Personal Independence Payment, and of issues related to improving financial capability, etc.

3.09 **Assisting Households to Maximise Social Security Income**

3.09.1 A report produced by Sheffield Hallam University Centre for Regional Economic and Social Research² examined the financial impact of the welfare reform upon Great Britain as a whole and for each of the 379 local authority areas. This report estimates that the total loss of social security income amongst households within Flintshire impacted by the reforms will be £44 million. (It is important to note that this figure shows the projected impact when the welfare reforms have come into full effect. Some of the reforms, particularly of the sickness and disability benefit system and the introduction of Universal Credit, are being implemented in stages over a number of years and not expected to be fully implemented until 2018.)

3.09.2 Using the projections within the report, we can estimate that the welfare reforms will, on average, result in Flintshire households losing social security income totalling £8.8 million per annum from 2013 to 2018. However, at the same time that the welfare reforms are removing social security income from Flintshire households and reducing spending power within the local economy, Flintshire County Council, together with its partners, continue to provide advice services that are helping Flintshire households to increase their household income through accessing their legal entitlement of social security benefits and tax credits. For example, during 2013/14, the successful interventions from the welfare benefit advice services provided by Flintshire Citizen Advice Bureau and Flintshire County Council assisted Flintshire residents to claim additional

² Hitting the poorest places hardest – the local and regional impact of welfare reform – Sheffield Hallam University Centre - April 2013

social security income totalling more than £5 million, helping to mitigate the negative impacts the welfare reforms have upon the Flintshire local economy.

- 3.09.3 Alongside the positive consequences for the Flintshire local economy, there are also well documented and positive impacts upon a person's health and wellbeing, which are generated through successful advice interventions, for example, improve mental health and raised living standards. In addition, the available research on the economic value of welfare benefit advice services is now demonstrating that the outcomes from welfare rights interventions provides a positive contribution towards reducing public expenditure on statutory and crisis intervention services. A study by Citizens Advice³ has concluded that for every £1 spent on the provision of welfare benefit advice services there is an estimated saving to the public purse of £8.80.

4.00 RECOMMENDATIONS

- 4.01 That Members note the report and the proactive work that the Council, together with its partners, continues to undertake to mitigate the full impact of the welfare reforms from falling upon vulnerable households

5.00 FINANCIAL IMPLICATIONS

- 5.01 None directly as a result of this report.

6.00 ANTI POVERTY IMPACT

- 6.01 The welfare reforms will hit the poorest parts of our local communities the hardest, especially those communities with large numbers of non-working and/or sick/disabled households. However, the extent of the welfare reforms go beyond out-of-work households and the reduction in Housing Benefit and Child and Working Tax Credit payments, etc, will be having negative impacts upon the income of many working households throughout the County⁴.
- 6.02 The workstreams, which are being managed within Flintshire's response to the welfare reforms, aim to protect, as much as possible, the most vulnerable members of our communities from being adversely affected by the ongoing transformation of the social security system. However, the workstreams have tended to focus advice and support upon non-working households and it is important that initiatives be developed that aim to support working households, particularly containing children, who are now seeing their income fall because of the welfare reforms.

³ Towards a business case for legal aid – Citizen Advice - 2010

⁴ A report by the Trade Union Council has projected that throughout the UK, three-quarters of all welfare reform cuts to people of working age will be on working families, with almost half hitting working families with children.– TUC August 2014

7.00 ENVIRONMENTAL IMPACT

7.01 None.

8.00 EQUALITIES IMPACT

8.01 As legislative decisions, the equality impacts of the changes to social security benefits have been assessed by Department for Work and Pensions, Welsh Government, Welsh Local Government Association and at a Local Authority level

9.00 PERSONNEL IMPLICATIONS

9.01 Front line staff are encountering an increased demand to explain the social security changes to residents and to provide the initial advice and support to help residents to begin to manage any resultant reduction in their household income.

10.00 CONSULTATION REQUIRED

10.01 None

11.00 CONSULTATION UNDERTAKEN

11.01 None.

12.00 APPENDICES

12.01 Appendix 1: The impacts of welfare reform upon FCC tenants

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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Appendix 1

TITLE MANAGING THE IMPACTS OF WELFARE REFORM UPON FCC TENANTS

DATE: 15 OCTOBER 2014

REPORT BY: CLARE BUDDEN – CHIEF OFFICER - COMMUNITY & ENTERPRISE PORTFOLIO

1.0 Introduction

1.01 This briefing note provides an update for Committee Members on the impact upon the Housing Revenue Account that is being created by the reform of the social security system. It also considers the financial cost to Flintshire County Council associated with managing the reforms.

2.0 Background

2.01 Social housing tenants, more than other sectors of society, are being negatively impacted by ongoing transformation of the social security system. Alongside, the current problems many are facing because of the introduction of the Housing Benefit spare room subsidy, the progressive rollout of Universal Credit and the reform of the sickness and disability benefit system will affect tenants throughout the coming four years.

3.0 Spare Room Subsidy – update

3.01 Since its introduction in April 2013, the spare room subsidy has been the subject of numerous reports. One of the latest reports, published in July 2014 by the Department for Work and Pensionsⁱ set out the findings of research carried out into the impacts of the spare room subsidy during the period 1 April 2013 – 30 November 2013. Key findings within the report included:

- 59% of tenants affected by the spare room subsidy have failed to make up the shortfall in rent;
- only 4.5% of affected claimants have downsized within the social sector;

ⁱ *Evaluation of Removal of the Spare Room Subsidy: Interim report – DWP: 15 July 2014*

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- a key concern amongst social landlords is that disabled people in adapted homes have not always been awarded discretionary housing payments because income from disability benefits caused them to fail the means test for an award;
- there was widespread concern that those who were paying were making cuts to other household essentials or incurring other debts in order to pay the rent – 57% of claimants reported cutting back on what they deemed household essentials;
- a quarter of claimants (26%) said they had borrowed money, mostly from family and friends; 3% percent had borrowed on a credit card and 3% taken payday loans; and
- landlords state that they will eventually evict tenants with arrears created by the spare room subsidy and many landlords expressed concern that collecting rent from people who can't afford to pay is damaging relations between landlords and tenants.

4.0 Impact upon the Housing Revenue Account

4.01 Since the implementation of the spare room subsidy in April 2013, the Council's Housing Revenue Account has seen a reduction in Housing Benefit payments of approximately £850,000. However, at the 31 August 2014, the total amount of rent arrears amongst tenants impacted by the spare room subsidy stands at £257,000. This figure is represents 32% of the total loss of Housing Benefit payments. Table 1, details the rent arrears of tenants impacted by the spare room subsidy during the first five months of the current financial year (April 2014 to August 2014).

Table 1: Rent arrears – tenants impacted by spare room subsidy

Month	April 14	May 14	June 14	July 14	August 14
Number of tenants in arrears	680	701	675	735	743
<i>Total Arrears</i>	<i>£243,938</i>	<i>£246,853</i>	<i>£238,330</i>	<i>£264,304</i>	<i>£257,173</i>

4.02 As noted in the interim report published by the Department for Work and Pensions, in November 2013, nationally, 59% of tenants impacted by the spare room subsidy were in rent arrears. However, in August 2014, seventeen months after the implementation of the spare room

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subsidy, 82% of Flintshire County Council's tenants impacted by the spare room subsidy are in arrears on their rent account. When the individual rent accounts of Council tenants impacted by the spare room subsidy are analysed (Table 2) it is found that 52% of tenants have accrued rent arrears of under £300, with a further 17% having accrued rent arrears between £300 to £600 and 9% having rent arrears between £600 - £1,000.

- 4.03 On average, a tenant impacted by the spare room subsidy, since its implementation in April 2013, will have lost Housing Benefit payments of £1,000. If we compare the individual tenants rent arrears with the average loss of Housing Benefit payments, we can establish that 78% of Flintshire County Council's tenants have, during the 17 months that the spare room subsidy has been in operation, accrued rent arrears less than the total reduction in their Housing Benefit payments.
- 4.04 The analysis demonstrates that whilst 82% of Council tenants are in rent arrears, eight out of ten tenants have been making some payments towards their rent shortfall themselves or obtained help through the Discretionary Housing Payment scheme. Given the findings in the report from the Department for Work and Pensions around households who are paying the rent shortfall themselves, the Neighbourhood Housing Service is keen to engage with those tenants who have paid all or, the majority of their rent shortfall to establish if they have been cutting back on other essential household expenditure.

Table 2: Tenants impacted by spare room subsidy - August 2014

Band £	Arrears £	Number of tenants in arrears
0-300	46,877.89	384
300-600	56,209.95	129
600-1000	49,476.7	64
1000-2000	66,389.23	51
2000-3000	25,147.64	110
3000-4000	13,072.22	5
<i>Total</i>	<i>257,173.63</i>	<i>743</i>

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- 4.05 The approach of the Neighbourhood Housing Service's Income Team is to take an appropriate and proportionate response to tenants in arrears and also affected by the spare room subsidy. This involves balancing the needs of the tenant and facilitating the right support, for example, due to vulnerability, debt problems or welfare benefit issues with the need of the Council to collect the rent that is due. This must be balanced however with the costs of taking a tenant to court, which has increased this year to £250 per case, in addition to the staff time to prepare and present the case, and the likelihood of a possession order not being obtained, or, being frequently suspended.
- 4.06 Furthermore, the vulnerability of many of the Council's tenants, mean that in the event of them being evicted, the Council, under its statutory homelessness duties, may still be legally obliged to house them either on a temporary or permanent basis. It is for this reason that every tenant's circumstances are judged on their own merits, and the expectation is that tenants will work with Neighbourhood Housing Service to resolve their debt or housing problems.
- 4.07 However, where there is resistance to work with Neighbourhood Housing Service, and tenants fall into the "won't pay" rather than "can't pay" category, then possession action becomes the ultimate sanction, particularly where a tenant's rent account has historically been conducted in an unsatisfactory manner.

5.0 Impact upon Housing Allocations

- 5.01 During the period April 2014 to September 2014, the Neighbourhood Housing Service made 273 housing allocations, of which 104 were transfers. From the tenants who transferred twenty were tenants impacted by the spare room subsidy. However, only twelve of the transfers removed the tenant completely from the impact of the spare room subsidy. The other eight transfers involved tenants who were under occupying by two or more bedrooms moving to a property that meant they were under occupying by one bedroom, and thus reducing the loss of their Housing Benefit award from 25% to 14%.
- 5.02 In January 2013, Housing Overview and Scrutiny Committee Members recommended that the allocation of Flintshire County Council properties should continue to be based upon an applicants' housing need, even when allocating a property to the applicant in most need would conflict with the Department for Work and Pensions size criteria and the applicant would be under occupying the property. In line with

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this recommendation, during April 2014 to September 2014, from the 169 new allocations, forty-two allocations have been made to tenants who are under occupying their property and who rely upon Housing Benefit or Universal Credit to pay their rent.

- 5.03 A brief analysis of the rent accounts of twenty-one of the tenants allocated a property that they are under occupying has demonstrated that seventeen have accrued rent arrears with only four managing to pay their rent shortfall in full and have clear rent accounts. The Neighbourhood Housing Service is continuing to support the tenants who have accrued rent arrears.
- 5.04 However, given that 81% of the tenants reviewed have accrued rent arrears, the Neighbourhood Housing Service is undertaking a more detailed analysis of all tenants, since April 2013, who have been allocated a property that they are under occupying. This analysis will help determine if the policy is creating unreasonable financial pressures upon the tenants concerned and if it may need revision.

6.0 The cost of mitigating the impacts of the Welfare Reform Act 2012

- 6.01 Flintshire County Council has taken a proactive approach to protecting vulnerable households from the experiencing the full force of the negative impacts inherent within the welfare reforms. As noted in the main body of the scrutiny report, several initiatives are obtaining successful outcomes, which are helping residents to cope with reductions in their household budgets and helping the Council to control the budgetary costs associated with the fulfilment of its statutory homelessness duties.
- 6.02 To deliver the initiatives there has been a need for additional staffing resources. The cost of these resources has been directly funded by Flintshire County Council or through grants that the Council successfully obtained from the Welsh Government. The budgetary cost of these posts and their funding stream is detailed in Table 3 below.

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Table 3: Additional Staff Resources

Additional Staff Resources	Budget	Funding Source	Comments
<u>Welfare Reform Response Team</u> 3 posts	£80,000 £90,000	FCC (CF) Welsh Govt (Funded until March 2015)	Introduced in May 2012, & targets support at vulnerable households.
<u>Neighbourhood Housing Service</u> Housing Officer – Welfare Reform	£30,000	FCC (HRA) (Funded until March 2015)	Post introduced in April 2014 to help FCC tenants to move to smaller properties.
<u>Gateway Development Officer</u> (Flintshire CAB)	£30,000	Welsh Govt (Funded until March 2015)	Post introduced in May 2014 to develop an Advice Gateway ensuring residents have ease of access to appropriate providers.
<i>Total</i>	<i>£230,000</i>		

6.03 Whilst not claiming to be an exact figure it can be estimated that, alongside the creation of additional positions, £120,000 worth of existing staff resources has also been required to managing the impacts of the welfare reforms. For example, since 2011, the Advice and Homelessness Manager has led the Council's response to the welfare reforms and since 2013, the Neighbourhood Housing and the Housing Benefit Services have had to focus their front line staffing resources upon households impacted by the welfare reforms and administering an increased number of Discretionary Housing Payment applications, etc.

6.04 The Council also uses its own funds to top-up the Discretionary Housing Payment budget provided by the Department for Work and Pensions. In the last financial year, the Council provided an additional £28,000 to the Discretionary Housing Payment budget.

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- 6.05 In summary, since 2011, to plan, develop, deliver and manage the various initiatives that the Council has implemented to mitigate, as far as practical, the impact of the welfare reforms has required additional public expenditure of an estimated £378,000. Obviously, this figure is a simplistic calculation of Flintshire County Council expenditure and takes no account of additional expenditure that has been necessary within Third or voluntary sector organisations.
- 6.06 The expenditure incurred so far is in relation to managing the reforms already implemented. However, the largest area of work for the Neighbourhood Housing Service is perhaps yet to be faced, i.e., preparing its working-age tenants for Universal Credit.
- 6.07 An idea of potential costs associated with preparing and supporting Flintshire County Council tenants who will be claiming Universal Credit, may be drawn from the findings within a pilot undertaken by City West Housing Trust in Salford. The results from their nine-month pilot project (June 2013 – March 2014) under which 52 tenants with varied economic status, received their housing benefit payment themselves, showed an average rent collection rate of 99.18%. However, City West Housing Trust found that their housing management costs, calculated using an estimation of staff time, increased during this period from £178.94 per tenant for a normal case to £754.88 per tenant for a direct-payment project case. The increase was due to the intensive resources that working with tenants who were receiving their Housing Benefit payments required.
- 6.08 To manage the costs the Housing Trust recommends landlords prepare, in advance, their working-age tenants for the challenges that the Universal Credit will generate, including identifying and moving prompt-paying tenants onto direct payment of Housing Benefit early (if possible) to free up resources for those tenants who will have the greatest need when they migrate to Universal Credit.
- 6.09 The Welsh Government has established a Task and Finish Group examining how social landlords can manage the anticipated increase in the costs of supporting tenants claiming Universal Credit. The Group has not completed its work, however, it is recommending that social landlords commence engagement now with their tenants, undertaking a triage process to identify those tenants who would be capable of managing their Universal Credit payment with or without support.

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7.0 Conclusion

7.01 Throughout the previous two-years, the Neighbourhood Housing Service has demonstrated the positive outcomes that can be attained by proactively engaging with and supporting tenants. This level of engagement and support will now need to be developed and offered to a wider group of tenants in order to ensure the impact upon the Housing Revenue Account, created by the ongoing reform of the social security system, continues to be successfully mitigated in the years ahead.

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

DATE: **WEDNESDAY, 15 OCTOBER 2014**

REPORT BY: **CHIEF OFFICER (COMMUNITY & ENTERPRISE)**

SUBJECT: **WHQS DELIVERY PROGRAMME UPDATE**

1.00 PURPOSE OF REPORT

- 1.01 The purpose of this report is to gain the views of the Housing Overview and Scrutiny Committee on proposals for the delivery of the WHQS programme of works to achieve the standard by 2020.

2.00 BACKGROUND

- 2.01 During 2013, Welsh Government and Flintshire County Council had several task force meetings to discuss Flintshire County Council's Business Plan to achieve WHQS by 2020. Flintshire County Council could not achieve the 2020 target without prudential borrowing. (The achievement date was forecast to be 2022).

This in itself is a significant improvement on the Choices Document prediction of the year 2038.

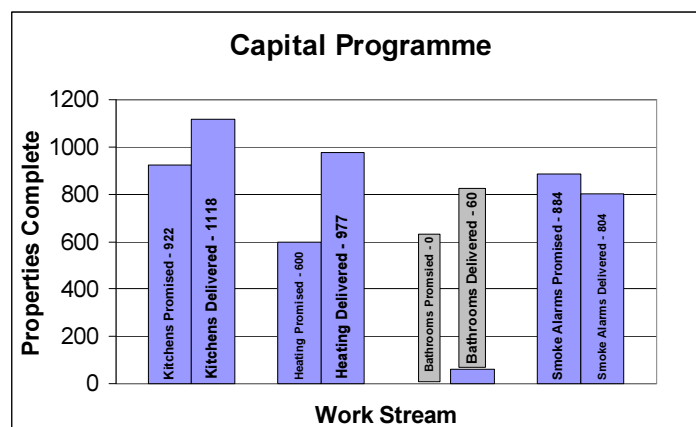
- 2.02 In December 2013, Flintshire County Council conducted a the first consultation exercise with the Tenants Federation and held a Mini-Conference to discuss initial thoughts around, a) Geographical delivery b) Whole House v Elemental approach, c) Timing of work stream delivery.

- 2.03 In December 2013, the development of Flintshire County Council's Asset Management Plan was completed outlining Flintshire's long term objectives including plans for the WHQS Delivery Programme.

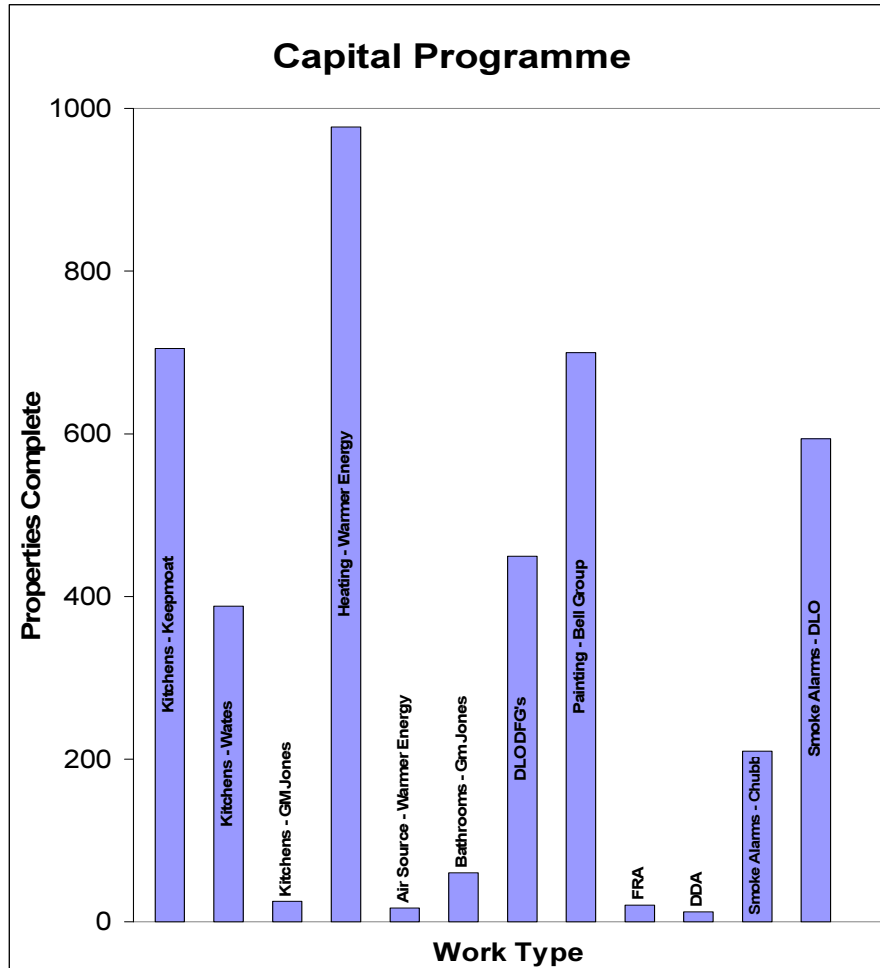
The Asset Management Strategy also set out plans to address other important factors such as, Energy Efficiency, estate re-modelling, Regeneration and strategies to minimise Anti Social Behaviour and the impacts of Welfare Reform.

Members were asked at the scrutiny committee on 8th January 2014 to consider the planning of the next phase of the investment programme and to consider the advantages of whole house versus elemental improvements and how the remaining work streams should be developed and delivered. It was also agreed that further consultations be held with tenant groups to help shape and develop the investment plan.

- 2.04 Between January and March 2014, the Council conducted a Stock Condition Survey with Savil's consultants. Savil's were appointed in 2007 to complete a 25% Stock Condition Survey and again in 2010 to complete a further 10%. Savil's were successful in their tender and were asked to complete the remaining 65% of stock. A copy of the Stock Condition Survey is available in the members library for review.
- 2.05 Between April and June 2014, the Capital Works Team worked closely with Savil's analysing the results and provisionally working up schemes against information that had been gathered. The results show that the data about stock condition and the financial assumptions that the council was using to plan its stock investment needs were broadly on target, and in line with the HRA Business plan. This will give reassurance to members.
- 2.06 Between April and August this year the Council engaged Asbestos Consultants to provide Surveys and Asbestos Registers for all their communal buildings. The purpose of this is to provide accurate data to enable the Management of Asbestos.
- 2.07 Currently new Fire Risk Assessments Surveys are being procured to update the 2010 surveys. The purpose of this is to provide accurate data to enable the Management of Fire Risk in communal areas. The Council has over 50 communal areas that require extensive management.
- 2.08 The Capital Works programme for 2013/14 was intended to provide 600 Heating upgrades, 922 Kitchen replacements and 884 Smoke Alarms. In the original Tenants Choices Document, there was no programme for Bathroom works, however some funding was allocated and the Capital Works Team were able to target 60 Bathroom Replacements. The Team also worked closely with the in-house Adaptations Team, providing additional funds for the DFG upgrades, which resulted in an additional 140 WHQS Bathroom installations. The chart below identifies the work streams managed by the team, comparing the number of properties the Authority promised to deliver, against the number of those properties actually achieved.



2.09 In addition to the four main streams of work, the team have also completed works following on from Fire Risk Assessments and to date have completed works to 20 communal areas. Further DDA Works targeting 12 communal areas has also been completed, helping the authority to fulfil its legal duties.



In 2014/15, schemes and contracts are in place for the following works; Fire Risk Assessment, DDA works, Kitchen Replacements, Heating schemes and Smoke Alarms. Additional funding had been identified in the Capital Programme for other work streams, including Bathroom Replacements, Roofing Replacements and Environmental Works.

2.10 The Asset Management Strategy aimed to continue providing job creation through the expenditure of the WHQS programme utilising Welsh Governments i2i initiative and through the Community Benefit tool kit supplied by Welsh Government.

Flintshire County Council aim to provide 200 local jobs and 20 apprenticeship schemes through their commitment of spending circa £100 million over all the streams of work to help achieve WHQS during 2014-2020.

The 200 local jobs are defined as, providing 2 persons per £1 million contract value. The 20 apprenticeships are defined as – 0.2 persons (or 11 person weeks) per £1 million contract value. Every vacancy on site including those with subcontractors, are notified to Flintshire County Council during the contract.

Statistics collected for the previous two years on WHQS Capital Works expenditure show;

- Year 1 (2012/13) WHQS expenditure on main contracts was circa £6m providing a requirement of 12 local jobs and 1.2 apprentices.
- Year 1 **achieved 47 local jobs and 5.6 apprentices.**

- Year 2 (2013/14) WHQS expenditure on main contracts was circa £5.5m providing a requirement of 11 local jobs and 1.1 apprentices.
- Year 2 **achieved 52 local jobs and 3.4 apprentices.**

A copy of the collated figures is attached to this report in Appendix A.

2.11 In July this year, The Housing Minister visited Flintshire to see from first hand experience, some of the difficulties that are presented to Flintshire County Council in their delivery of the WHQS programme. Issues that were presented were;

- The need to adapt properties to meet the challenges of Welfare Reform
- WHQS kitchen acceptable failures, due to sizes of kitchen area.
- Off Street parking issues.
- Utility costs associated with new services for Gas and Electric.
- External Wall Insulation projects to help combat Fuel poverty.

All these issues present Flintshire County Council with further expenditure costs, presenting challenging decisions about where and how to expend funds to achieve the WHQS by 2020.

3.00 CONSIDERATIONS

3.01 The Capital Works Team utilised the Tenants Consultation exercise to gather evidence and data to help formulate ideas for the “new” WHQS Delivery programme. Letters were sent out to all Tenants requesting them to return a questionnaire or visit the Capital Works Team at planned consultation events.

The consultation events were centred around the towns and in essence around a Flintshire Connects Centre where one exists at present. Capital Works staff that attended, found it a worthwhile exercise and enjoyed the interaction listening directly to Tenants problems associated with our delivery programme.

In total the council received 1033 post returns and a total of 167 people attended the drop in sessions, giving a total of 1200 returns which represents a 17% return in total.

The Capital Works team assessed the feedback to ensure that a representative sample of Tenants from each area was collected from the returns. If the data had proved to be inadequate or low in certain areas, then further consultations would have been deemed necessary to ensure that all areas were fairly represented.

Residents from every ward responded, and each connects office area collected the following results as a percentage;

- Buckley 15% returns
- Connahs Quay 15% returns
- Flint 17% returns
- Holywell 19% returns
- Mold 18% returns

With particular reference to the wards that are located in more rural locations, examples of these areas are shown below as a percentage;

- Brynford 21% returns
- Cilcain 13% returns
- Ffynongrew 6% returns
- Gwernaffield 46% returns
- Higher Kinnerton 20% returns
- Cymau / Ffrith 7% returns
- Penyffordd 16% returns
- Treuddyn 21% returns
- Whitford 40% returns

The national average return for most surveys of this nature is 12% and this survey provided an average of 17% collectively. The questionnaire asked Tenants to provide their address, contact telephone numbers and age to help with profiling at a later date.

The question set consisted of;

1) Of the remaining Internal Workstreams, which work packages were they most comfortable with completing at the same time;

- Kitchen & Bathroom 41%
- Kitchen & Heating 8%
- Bathroom & Heating 20%
- Whole House 14%

2) Of the remaining Workstreams still to be completed, which of the following did they think should be a priority first;

- Envelope Works 58%
- External Paths & Fences 20%
- Environmental works e.g. off street parking 9%

3) Which of the following Connects office would they utilise for any issues they may wish to raise? The purpose of this question was to see if the Capital Works Team assumption of which Connects Centre people would use, were in line with our current thoughts. The Capital Works Team has grouped wards into Geographical areas to aid in the Delivery Programme for various contract packages.

3.02 In planning the next steps, the first item to consider was re-defining the Geographical areas. Ideally the County could be split into 'X' amount of practical Districts (similar quantity of properties), providing a manageable workload for future work packages to be let to contractors and for in house staff to work within.

As the numbers were analysed, the wards were grouped around the towns initially, such as Holywell, Flint, Mold, Buckley, Connahs Quay / Shotton and Deeside / Saltney. At this process, each town with associated wards attached, provided property numbers around 1,000 / 1,500 per district.

The list of every ward included in each proposed Delivery District, is attached to this report as Appendix B.

An outline map of these districts is attached to this report as Appendix C.

3.03 Following development of the proposed district areas, the next step was to analyse what's left to deliver. The Four work streams previously identified and agreed are:

- Internal workstreams – Kitchens, Bathrooms, Heating, Re-wires, Smoke Alarms etc.
- Envelope workstreams – Roofing, Chimney work, Roofline works (Gutters, fascias etc), Windows / Doors, Re-pointing / re-rendering etc.
- External workstreams – Fencing, Paths etc
- Environmental workstreams – Estate wide projects to include off street parking and larger environmental projects.

The Internal and Envelope workstreams have been prepared first in line with priorities identified by tenants. Both of these streams of work are being overlaid on a map of each district to ensure that each district has a workstream occurring in each and every year of the Delivery Programme.

A Draft programme of works showing total numbers of works required for each District is attached to this report in Appendix D.

3.04 It is envisaged that the External curtilage workstreams could either be aligned around a new Cyclical Painting programme or considered as part of the wider Environmental projects.

- 3.05 The council will be tackling area specific issues and projects in the WHQS delivery through its Environmental schemes. Consultations will be required with Tenants and Elected Members, to identify issues in specific areas and wards. It is envisaged that individual feasibility studies will be conducted in conjunction with ward representatives to enable this workstream to be formulated.

The Vibrant and Viable Places programme has an element of Environmental works in the proposal and as such this must be taken into account when formulating the timescales and work content in the areas covered by this programme.

- 3.06 Another consideration for Environmental projects is the results / conclusions from the ongoing Garage review. Officers have been reviewing options after the recent Members workshops. The following options are the latest considerations for the 95 sites identified;

- Option A - Demolition / clearance and replacement with open parking. Circa 7 sites identified.
- Option B – Demolition / clearance and replacement in future with alternative uses e.g. allotments; play facilities; or public open space. Circa 8 sites identified.
- Option C – Retain, review management and conduct detailed work on retention options. Circa 34 sites identified.
- Option D – Garages to be demolished but sites to be retained with Housing Development potential. Circa 21 sites identified.
- Option E – Further exploratory work required. Circa 17 sites identified.
- 8 Nr sites identified that require more information.

There is confidence that the sites identified are a full and comprehensive list. The specific proposals for each site will be discussed further with local members prior to being finalised and cabinet approval sought on firm options.

- 3.07 To ensure that the jobs and training targets continue to be delivered; it is the council's intention to work closely with other organisations namely other local authorities, Cambria College, Job Centre Plus and the CIH to pursue the option of setting up a Job Academy to facilitate placement of individuals on apprenticeship schemes.

Non-core Community Benefits will also continue to be met with the assistance of contractors providing support to community initiatives, such as the two recent Contractor Awareness day events that have been held in secondary schools in Flintshire.

Another example of wider Community Benefit will be through the off gas programme, whereby the utility company, contractor and supplier will be providing central heating to the Mostyn Community Centre as a result of working together on the off gas programme.

- 3.08 Recent communication through workshops with Welsh Government has resulted in recommendations for each Landlord in Wales to consider its compliance measures for the Welsh Housing Quality Standard. Each Landlord has been requested to provide their own 'Compliance Document'.
- 3.09 Once the new WHQS delivery programme has been agreed, then the Capital Works Team will begin procuring contractors for works to commence in April 2015. It is the intention to use a mixture of larger PLC contractors and to fully utilise the Small to Medium Enterprises in Flintshire. The DLO will also have the opportunity to continue to complete Capital Works projects.
- 3.10 The Capital Works Team will ensure they continue with the support from the Tenants Federation, in the procurement and monitoring of contractors on the WHQS delivery programme. This has proved successful and the team wish to build on this area of joint partnership working.

CONCLUSION

A significant amount of planning and analysis has been undertaken since the last report to scrutiny committee and this is described in this report. The next stage is to finalise the new 6 year programme which will see all stock achieve the WHQS by 2020.

Should members be supportive of the six district areas identified in this report, then the next stage in development of the programme is to hold a members work shop to consider and agree the plans for investment in each area.

4.00 RECOMMENDATIONS

- 4.01 Members are requested to support the 6 proposed District areas as an appropriate grouping of properties to enable officers to finalise the WHQS delivery programme and to develop proposals for which particular work stream should be completed in which year. These will be discussed prior to finalisation at a members workshop.
- 4.02 It is recommended that further consultations take place to agree the scope and content of environmental work streams in each area after internal and external work streams are well underway.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The Housing Revenue Account 30 Yr business plan includes a capital programme of £103 million pounds in order to achieve WHQS by 2020. This business plan maximises revenue streams and control of costs in order to invest as much as possible into the capital program each year to meet this target. As part of the HRA self financing buy out the council

has also set aside £20 million of its borrowing cap to invest in the capital programme should it require additional funds in order to achieve WHQS within the agreed timeline.

5.02 The programme varies in scale and scope each year. 6% of budget is set aside per annum for staff costs and 3% is set aside for contingencies which are both in line with industry averages. These costs have kept well within budget to date. Some work streams will require more extensive staffing input and the team resource will need to ebb and flow to meet the needs of the programme.

5.03 The current market is showing a more buoyant construction market and contractors are beginning to be more selective in their tenders. The Market Conditions and Tender Prices over the next six years could fluctuate though inflation has been built into the business plan assumptions.

6.00 ANTI POVERTY IMPACT

6.01 There will be local job creation through these significant investment programmes. Work streams to improve the housing stock provide a direct benefit to the lives and living conditions for some of the poorest Flintshire residents.

7.00 ENVIRONMENTAL IMPACT

7.01 The agreed approach will have an impact on the external environment of all areas, affecting both the aesthetics of the landscape and the social impact on the surrounding areas.

7.02 The Vibrant and Viable bid will also have an impact on the surrounding Environment through the work packages being delivered.

8.00 EQUALITIES IMPACT

8.01 A large percentage of the housing stock are allocated to older people, therefore, the proposals in this paper will have a positive impact on this customer group.

9.00 PERSONNEL IMPLICATIONS

9.01 The WHQS expenditure will provide job creation through the i2i initiative and the Capital Works team will have potential for growth in staff to deliver the WHQS Delivery Programme.

10.00 CONSULTATION REQUIRED

10.01 Further Environmental Consultations / Workshops in individual wards.

10.02 Feedback required on the delivery programme based on the information supplied to each District.

11.00 CONSULTATION UNDERTAKEN

11.01 Tenants Mini-Conference Workshop.

11.02 Member / Officer Working groups.

11.03 Tenants Consultations at Connect Centres.

12.00 APPENDICES

A Community Benefits data for 2012/13 and 2013/14.

B List of wards in each new delivery District.

C Map showing District areas.

D Draft delivery programme per district.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

Contact Officer: Tony Jones
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KPI Capital Works - Flintshire County Council

i2i Employment Data



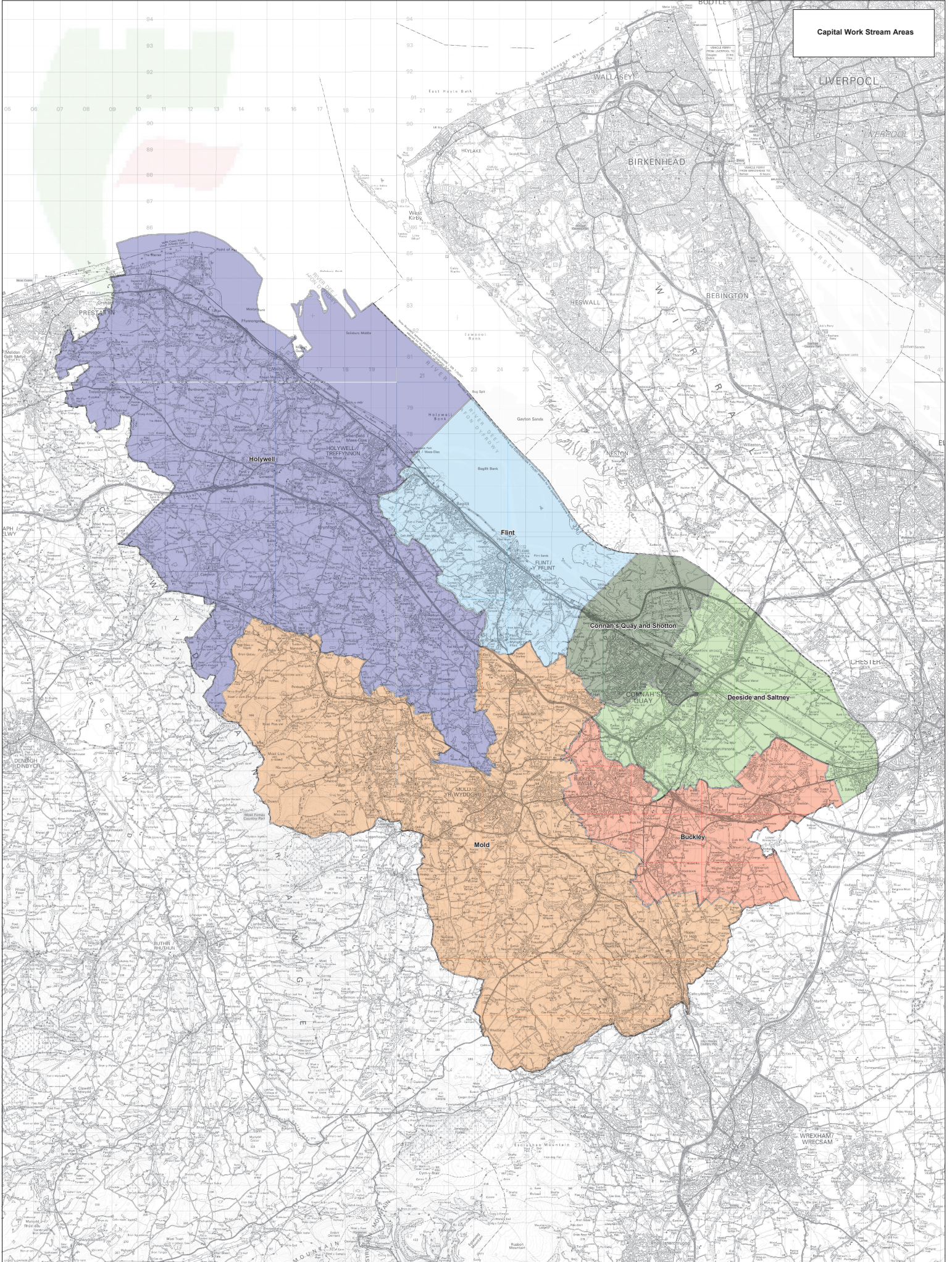
	Collection of values from Wates / GM Jones Warmer Energy / Keepmoat	
	Year 1	Year 2
Categories	2012-2013	2013-2014
Contract Value (£million per annual spend)	£6,070,000.00	£5,438,283.71
Total Average of Employees	91	87
Total Average of Trainees Overall	5.6	3.4
Percentage of Trainees (%)	6%	4%
Contractual Commitment (0.2 persons per £1 million spend)	1.2	1.1
AVERAGE ACHIEVED	5.6	3.4
Total Average of Employees	91	87
No. People employed within Flintshire	19	17
Percentage employed within Flintshire	21%	20%
No. People employed within North Wales (Excluding Flintshire)	28	35
Percentage employed within North Wales (Excluding Flintshire)	31%	40%
Contractual Commitment (0.2 persons per £1 million spend)	12	11
TOTAL EMPLOYED LOCALLY	47	52
TOTAL PERCENTAGE	52%	60%

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WARD	AREA	TOTAL	DISTRICT TOTAL
CQ Cent	C'QUAY & SHOTTON	418	
CQ Golftyn	C'QUAY & SHOTTON	249	
CQ South	C'QUAY & SHOTTON	29	
CQ Wepre	C'QUAY & SHOTTON	32	
Shotton East	C'QUAY & SHOTTON	38	
Shotton Higher	C'QUAY & SHOTTON	439	
Shotton West	C'QUAY & SHOTTON	71	1276
Aston	DEESIDE & SALTNEY	184	
Hawarden	DEESIDE & SALTNEY	9	
Mancot - East	DEESIDE & SALTNEY	189	
Mancot - South	DEESIDE & SALTNEY	7	
Queensferry	DEESIDE & SALTNEY	82	
Saltney Mold Junction	DEESIDE & SALTNEY	160	
Saltney Stonebridge	DEESIDE & SALTNEY	304	
Sealand	DEESIDE & SALTNEY	256	1191
Bagillt East	FLINT	95	
Bagillt West	FLINT	146	
Flint Castle	FLINT	338	
Flint Coleshill	FLINT	268	
Flint Oakenholt	FLINT	189	
Flint Trelawny	FLINT	5	1041
Brynford	HOLYWELL	90	
Caerwys	HOLYWELL	67	
Ffynnongroew	HOLYWELL	65	
Greenfield	HOLYWELL	203	
Gronant	HOLYWELL	108	
Halkyn	HOLYWELL	47	
Holywell Central	HOLYWELL	302	
Holywell East	HOLYWELL	135	
Holywell West	HOLYWELL	131	
Mostyn	HOLYWELL	223	
Trelawnydd & Gwaenysgor	HOLYWELL	92	
Whitford	HOLYWELL	10	1473
Broughton North & East	BUCKLEY	135	
Broughton South	BUCKLEY	113	
Buckley Bistre East	BUCKLEY	192	
Buckley Bistre West	BUCKLEY	317	
Buckley Mountain	BUCKLEY	46	
Buckley Pentrobin	BUCKLEY	97	
Higher Kinnerton	BUCKLEY	20	
Penyffordd	BUCKLEY	83	1003
Argoed	MOLD	8	
Caergwrle	MOLD	106	
Cilcain	MOLD	56	
Gwernaffield	MOLD	41	
Gwernymynydd	MOLD	48	
Hope	MOLD	59	
Leeswood	MOLD	103	
Llanfynnydd	MOLD	67	
Mold Broncoed	MOLD	138	
Mold East	MOLD	40	
Mold West	MOLD	307	
New Brighton	MOLD	39	
Northop	MOLD	66	
Northop Hall	MOLD	48	
Treuddyn	MOLD	86	1212
HSO's	VARIOUS AREAS	25	25
Excluding Demolition Sites	VARIOUS AREAS	7221	7221

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Capital Work Stream Areas



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DISTRICT WORKS SUMMARY

DEESIDE & SALTNEY

INTERNAL WORKS

Whole House Approach	275
Kitchens & Bathrooms	373
Bathrooms & Heating	208
Individual Upgrades (Kit/Bath/Htg)	369

EXTERNAL WORKS

Whole House Approach	251
High Level Works	255
Mid Level Works	94

ENVIRONMENTAL BUDGET

£ 824,678.02 1191

C'QUAY & SHOTTON

INTERNAL WORKS

Whole House Approach	335
Kitchens & Bathrooms	181
Bathrooms & Heating	368
Individual Upgrades (Kit/Bath/Htg)	383

EXTERNAL WORKS

Whole House Approach	287
High Level Works	162
Mid Level Works	56

ENVIRONMENTAL BUDGET

£ 883,534.14 1276

DISTRICT WORKS SUMMARY

FLINT

INTERNAL WORKS

Whole House Approach	255
Kitchens & Bathrooms	173
Bathrooms & Heating	209
Individual Upgrades (Kit/Bath/Htg)	418

EXTERNAL WORKS

Whole House Approach	209
High Level Works	279
Mid Level Works	162

ENVIRONMENTAL BUDGET

£ 720,814.29 1041

HOLYWELL

INTERNAL WORKS

Whole House Approach	451
Kitchens & Bathrooms	276
Bathrooms & Heating	285
Individual Upgrades (Kit/Bath/Htg)	497

EXTERNAL WORKS

Whole House Approach	317
High Level Works	371
Mid Level Works	323

ENVIRONMENTAL BUDGET

£ 1,019,941.84 1473

DISTRICT WORKS SUMMARY

BUCKLEY

INTERNAL WORKS

Whole House Approach	124
Kitchens & Bathrooms	236
Bathrooms & Heating	232
Individual Upgrades (Kit/Bath/Htg)	379

EXTERNAL WORKS

Whole House Approach	282
High Level Works	253
Mid Level Works	89

ENVIRONMENTAL BUDGET

£ 694,502.15 1003

MOLD

INTERNAL WORKS

Whole House Approach	306
Kitchens & Bathrooms	222
Bathrooms & Heating	223
Individual Upgrades (Kit/Bath/Htg)	485

EXTERNAL WORKS

Whole House Approach	479
High Level Works	213
Mid Level Works	81

ENVIRONMENTAL BUDGET

£ 839,218.94 1212

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **HOUSING OVERVIEW & SCRUTINY COMMITTEE**
DATE: **WEDNESDAY, 15 OCTOBER 2014**
REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**
SUBJECT: **INTRODUCTION OF SELF FINANCING FOR THE HOUSING REVENUE ACCOUNT**

1.00 PURPOSE OF REPORT

1.01 To update Scrutiny Committee on the progress to introduce self financing for the Housing Revenue Account.

2.00 BACKGROUND

2.01 The UK Government and the Welsh Government have recently reached an agreement to change the financing arrangements for council housing in Wales from April 2015.

2.02 Welsh Local Authorities have long argued for this change; which to date, has seen a negative subsidy system in operation which has required all eleven stock owning councils across Wales to make a total annual negative subsidy payment of £73m (in Flintshire's case c£6m) of rental income to Welsh Government and on to the UK Treasury. On the introduction of self financing this will cease;

2.03 The new arrangements negotiated by Welsh Government will see the annual subsidy payment replaced by a one off payment of c£920m. The eleven councils are required to take out loans from the PWLB which equate to £40m per annum in interest charges.

2.04 In addition to this a borrowing cap of £1.85b has been set in total for all eleven councils. This includes the borrowing needed to meet the settlement figure; existing HRA borrowing; planned borrowing to meet WHQS, and a small amount to start a new build programme.

2.05 The all Wales figures on these elements are:
£460m- existing borrowing
£358M- borrowing required to meet WHQS
£920M- borrowing for the cost of the settlement
£112m- remaining capacity for other priorities such as new build

2.06 The detail on the distribution of the borrowing limits across the eleven councils has been left to the Welsh Government to decide. Welsh Government established a Steering Group and a number of work

streams in March this year to take forward this work and make recommendations to the Minister. A consultation paper on the detailed options to implement self financing was issued by Welsh Government in May this year with a return date of July. Flintshire's response to this was supported by Housing Scrutiny Committee and agreed by the Cabinet prior to submission.

2.07 A lot of work was undertaken by the eleven councils to try to ensure that there could be a consensus over the response to the Welsh Government as in order for self financing to be introduced from April 2015, a voluntary agreement will need to be made by all affected Councils.

2.08 The introduction of self financing requires all Councils to implement a new rent policy prescribed by Welsh Government. This also requires a phased implementation of service charges. This was approved at Cabinet in September 2014 to allow for a first draft of the business plan for self financing to be submitted to Welsh Government by the end of September. Feedback on this is expected over the next few weeks.

3.00 CONSIDERATIONS

3.01 In mid August the (then) Housing Minister Carl Sergeant wrote to all Councils outlining his response to the consultation. In summary he has agreed:

a. The settlement value will be based on the current negative subsidy amounts. This was Flintshire's preferred option as it was seen to be the fairest mechanism.

b. After taking account of existing borrowing and WHQS investment needs; the remaining allocation will be split on the basis of providing 50% of new build/regeneration borrowing for the four councils with worked up plans (this includes Flintshire), with the remainder allocated across all eleven councils. This will provide Flintshire with a new build/regeneration borrowing limit of circa £14m. This was Flintshire's preferred option following negotiation with the other affected councils.

c. Welsh Government were proposing to keep £5m of the borrowing limit back as a contingency. They have now agreed to distribute this alongside the borrowing limits referred to above. This will increase Flintshire's total figure by approximately a further £0.5m. This response is welcomed by the council.

d. Finally, Welsh Government asked for views on whether sanctions should be applied to councils who do not fully utilise their borrowing limit. Flintshire responded that it did not agree with this proposal and Welsh Government has agreed not to take this forward.

- 3.02 Flintshire welcomes the Housing Ministers decisions which should allow all eleven councils to be able to recommend and gain approval for entering a voluntary agreement in time for the system to end in April 2015.
- 3.03 Work has started to prepare for self financing, and the timescales are tight. A full project plan has been developed; this will require some decisions to be made ahead of traditional budget timescales. These include Welsh Government issuing settlement determination in December 2014, agreement of the HRA business plan so that it can be submitted to Welsh Government in January (rents and budget not usually agreed until February); agreement of borrowing needed to meet the needs of self financing (perhaps ahead of agreeing the Councils Treasury Management strategy in February as normal).
- 3.04 In Flintshire a HRA project group has been established for some time; this includes the Leader, Deputy, Cabinet member for Housing, Chief Officer, Finance and Asset Management colleagues. Membership of this group will need to be broadened to include Legal colleagues as the council move towards being able to recommend signing a Voluntary Agreement.
- 3.05 Housing Scrutiny Committee has taken a strong interest in this work; and it is suggested that an all member workshop is held in the next few weeks, with open invite to all councillors to discuss this significant change in more detail and to consider proposals on how Governance of the HRA should be developed going forward.
- 3.06 In addition the council needs to consider how it consults tenants on self financing. Regular updates have been provided at tenants conferences, and to the Federation; however there is a need for a broader communication strategy with all tenants as this change moves forward. A tenant conference will be held later in the Autumn, to consult on, and discuss the impact of the introduction of self financing. In addition there has been an elected member and tenant working group in place for several years; subject to agreement, this group could refresh its terms of reference to take on a more strategic role around governance and self financing. This will be discussed in detail with the working group in the coming weeks.
- 3.07 Self financing is to be welcomed. The HRA will benefit from circa £1m additional revenue funding each year. This will provide additional resource for investment in tenants home and will support achievement of the WHQS standard by 2020 with minimal prudential borrowing. In addition the borrowing thresholds set will allow a council house building programme to commence in early 2016 following the completion of the SHARP tender process.

4.00 RECOMMENDATIONS

- 4.01 Scrutiny committee is asked to note this report and the positive programme to introduce self financing for council housing.
- 4.02 Scrutiny Committee is asked to support the proposal to arrange a Member workshop to consider arrangements for the introduction of self financing for the Housing Revenue Account.

5.00 FINANCIAL IMPLICATIONS

- 5.01 Flintshire has a HRA business plan which can achieve the Welsh Housing Quality Standard by 2020, and following the introduction of self financing; a council house building programme can also commence.
- 5.02 The councils Treasury Management strategy will require revision to reflect the new borrowing which will be needed to achieve buy out and further borrowing to support the achievement of WHQS and new building.

6.00 ANTI POVERTY IMPACT

- 6.01 Self financing will provide additional revenue in the HRA to improve property standards and to meet service improvement objectives.

7.00 ENVIRONMENTAL IMPACT

- 7.01 Stock investment delivery plans will enhance the appearance of the environment and will contribute towards the councils CO2 reduction targets.

8.00 EQUALITIES IMPACT

- 8.01 All stock and all households will benefit from the councils investment programme for council housing.

9.00 PERSONNEL IMPLICATIONS

- 9.01 None directly

10.00 CONSULTATION REQUIRED

- 10.01 Further consultation is required with elected members and tenants.

11.00 CONSULTATION UNDERTAKEN

- 11.01 Scrutiny committee has received regular reports on the HRA and will continue to do so. Tenants have been consulted at tenants conferences and communicated with via tenants newsletters.

12.00 APPENDICES

12.01 None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **HOUSING OVERVIEW & SCRUTINY COMMITTEE**
DATE: **WEDNESDAY, 15 OCTOBER 2014**
REPORT BY: **CHIEF OFFICER (COMMUNITY AND ENTERPRISE)**
SUBJECT: **USE OF COMMUTED SUMS**

1.00 PURPOSE OF REPORT

1.01 To seek the support and views of Members for the proposed utilisation of commuted sums (derived for the purposes of providing affordable housing).

2.00 BACKGROUND

2.01 A commuted sum is an amount of money paid by a developer to the council, where the size or scale of a development triggers a requirement for affordable housing (24 units or one hectare), but it is not possible to achieve appropriate affordable housing on the site.

2.02 This route will be followed only where more direct provision of affordable homes has been explored and the council is satisfied that it is not workable given the particular circumstances.

2.03 The money will be used to provide affordable housing on an alternative site. It is therefore appropriate that the level of payment should relate to the financial value a developer would have to expend to meet the cost of the council's 30% on site provision.

2.04 The principles applied in the collection and use of these payments are very similar to those for other planning obligations. They will be dealt with through a legal agreement (under section 106) related to the land, which triggers obligations once the specific planning permission is implemented.

3.00 CONSIDERATIONS

3.01 **What is the council's approach to the use of commuted sums?**

Government policy states it is always assumed that affordable housing will be provided on the land which is the subject of a planning application, in order to contribute to mixed communities. This is supported by Welsh Government Technical Advice Note (TAN) 2 Planning and Affordable Housing.

- 3.02 However, where it can be justified, off site provision, or a payment in lieu, of broadly equivalent value of providing the affordable housing on site may be accepted, as long as it will contribute to the creation of mixed communities in the local authority area. This acknowledges affordable housing need to be an authority wide issue, although in the first instance the council will review priorities for it in terms of local needs and pipeline schemes at the time.
- 3.03 Flintshire County Council Policies HSG3, HSG5, HSG10 & HSG11 enables the council to accept a commuted sum towards the provision of affordable housing on an alternative site where it is not possible to incorporate affordable housing within a scheme.
- 3.04 However, where a commuted sum is to be considered the onus is placed on the applicant to demonstrate why it is not possible to provide the affordable housing on site. The applicant also needs to show that other options, such as cross subsidy between rented and shared equity/shared ownership units and providing the affordable housing on another site have been considered and why they were discounted.
- 3.05 If the applicant cannot make the scheme work including the level of affordable housing contribution (whether related to the affordable homes equivalent it is based on, or the sum calculated) or that the affordable homes cannot be delivered on the application site; a financial appraisal should accompany the planning application to justify the proposed revised approach and the scope the scheme offers.
- 3.06 The council may need to seek independent scrutiny of this evidence to satisfy itself that the assumptions within it can be agreed in terms of the payment. Payment for such advice will usually be paid for by the developer. The rationale for this is that the council has a planning policy which the applicant is seeking not to comply with, with respect to a particular scheme. In order to assess the applicant's appraisal, if the council needs to seek advice, it is reasonable for the applicant to bear the costs in these circumstances.

3.07 How will the money be used?

The council will use financial commuted sums in a number of ways and will require the flexibility to do so to be reflected in its approach and in the S.106 agreement. Where such contributions are accepted, the strategy (Flintshire's Local Planning Guidance Note No.9) will continue to provide an additional affordable housing enabling tool, which is important in terms of the current uncertain investment climate.

3.08 Commuted sums will be earmarked to enable the provision of affordable housing through a variety of means e.g.

1. Financial contribution towards the development of both affordable rented accommodation and low cost home ownership schemes.
2. The development of supported housing schemes at affordable rents and key worker initiatives.
3. Initiatives that support regeneration projects such as offering loans to tackle empty homes or poor housing conditions, in return for affordable housing nominations for an agreed number of years.
4. Affordable self-build projects.
5. The purchase of land for affordable housing.
6. Mortgage Rescue
7. Top up and/or replacement of Social Housing Grant (SHG)

3.09 An element of each commuted sum may also be used to contribute towards the council's revenue and associated administration costs in facilitating the above and/or developing a more strategic approach to affordable housing policy and investment across the county.

3.10 Wherever possible the policy of the council will be to spend monies derived from commuted sums within the same Community Council area as they were generated. However, it is recognised that exceptions to this policy may be required where: -

1. There are no feasible suitable sites available within the locality, nor are they likely to become available within five years of receipt of the commuted sum.
2. An affordable housing development opportunity arises within a neighbouring Community Council area and the affordable housing provided on the alternative site would be of greater or equal benefit in meeting the housing need.
3. No suitable sites have become available and there are two years or less remaining before the sum must be spent or returned to the developer. In such circumstances, subject to the terms of any legal agreement entered in to with the developer, the commuted sum can be spent on supporting affordable housing within an adjoining community council area. If no suitable sites/housing need exists within the immediate adjoining areas then this test will be sequentially applied to neighbouring areas until such a site/need is identified.

3.11 How will this be monitored?

A record will be kept and monitored of all sums received and how they have been spent, via the council's monthly capital monitoring exercise.

3.12 As previously outlined these arrangements will be the subject of an agreement under Section 106 of the Town and Country Planning Act 1990.

3.13 Generally, the council will expect the following to be incorporated in the S.106 agreement: -

1. The agreed sum to be index linked on an annual basis from the date of the Committee resolution on the planning permission until the date of the actual payment. S.106 agreements can take time to complete so it will be important for applicants to consider the requirements at an early stage, working closely with the council.
2. The timing/trigger for the payment to be made, for example on the commencement of the development; or 50% on commencement and 50% when 50% of the units have been sold/occupied. The specifics of this to be discussed and agreed.
3. Penalty interest will be payable on late payments.
4. The council will have up to 5 years from when the sum was received in which to spend the contribution.
5. Priority will be given to schemes that provide affordable housing in the same community council area as the sum was received (subject to the sequential test as set out in paragraph 3.10).

3.14 How will this be managed?

1. The council will use commuted sums to develop affordable housing within 5 years from the date the sum was received.
2. The council will return un-spent commuted sums, with accrued interest to the developer, if they are not spent for the purposes for which they were sought within a 5 year period from the date the money is paid to the council.
3. The values of commuted sums will need to be regularly updated. The approach and assumptions will be monitored and reviewed if necessary, depending on delivery experiences. In any event, the approach is intended to cope with an element of flexibility in its application.
4. The payment is to be index linked from the date of the Agreement to the date the money is due to be paid to the council.
5. The council will normally aggregate financial contributions from different sites and will spend the contributions in the way that best achieves the council's and local community's priorities for affordable housing. The number of units resulting from expenditure may be more or less than the number of units used to calculate the contribution as dwelling types, tenure, specifications and other aspects will vary from scheme to scheme.

4.00 RECOMMENDATIONS

- 4.01 That Members support the process for the acceptance, calculation use of commuted sums as outlined in this report and Local Planning Guidance Note No.9 – Affordable Housing
- 4.02 That a further review of this Policy take places in April 2015, with view to implementing the Community Infrastructure Levy (CIL), which when implemented will replace the Section 106 commuted sums regime.

5.00 FINANCIAL IMPLICATIONS

- 5.01 The council is in receipt of financial contributions for affordable housing arising through S.106 obligations. The council currently holds £400,000 of commuted sums which are held separately from council funds are linked to their originating schemes so that legal obligations in respect of those sums can be met.

6.00 ANTI POVERTY IMPACT

- 6.01 Commuted sums are used for the provision of affordable housing giving access to a home for those who may not otherwise be in a position to afford one.

7.00 ENVIRONMENTAL IMPACT

- 7.01 All affordable homes built meet modern standards for energy efficiency. The environmental impact is also considered and mitigated during the construction phase.

8.00 EQUALITIES IMPACT

- 8.01 The provision of affordable housing ensures that all of the county's residents have a greater opportunity access their own home.

9.00 PERSONNEL IMPLICATIONS

- 9.01 There are no personnel implications arising as a result of this report.

10.00 CONSULTATION REQUIRED

- 10.01 No consultation is required.

11.00 CONSULTATION UNDERTAKEN

- 11.01 No consultation has been undertaken.

12.00 APPENDICES

12.01 Local Planning Guidance Note No.9 – Affordable Housing

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

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LOCAL PLANNING GUIDANCE NOTE NO.9 AFFORDABLE HOUSING

Background

In recent years rising house prices across the United Kingdom generally have put properties beyond the reach of lower income households and many first time buyers. The problem has been exacerbated by the decline in the supply of council housing over the past two decades and, in Flintshire, by the inward migration of commuters who are often better able to pay higher prices. A Housing Needs Survey (HNS) undertaken for Flintshire County Council by consultants in 2004/05 demonstrates that **the affordability of homes has become an acute problem for Flintshire communities**. The social and economic problems generated by a lack of affordable homes manifest themselves in several ways including: the county's limited capacity to accommodate additional households in social housing; annually increasing costs for the County Council to house households in temporary accommodation; overcrowding in existing households; housing being wanted to meet special needs (such as physical disability and sensory impairment); and local people being priced out of their local communities and being forced to find cheaper accommodation elsewhere. **Appendix 4 provides more information on the Survey.**

The County Council wishes to secure the provision of affordable housing within large residential development schemes, and for this to remain available for as long as it is required by the community, in other words for as long as there is a local need for the affordable accommodation. This Local Planning Guidance Note (LPG) provides detailed information for developers, landowners, Registered Social Landlords (RSL), and the public on how the Council's planning policy on affordable housing will be delivered in practice, with the aim of alleviating the housing needs problem in the short, middle and long term.

Policy

The justification for seeking the provision of affordable housing via the planning system is provided by the Welsh Assembly Government's **Ministerial Interim Planning Policy Statement 01/2006 Housing** which states that "a community's need for **affordable housing is a material planning consideration** which must be taken into account in formulating UDP policies. It is also an essential element in contributing to community regeneration and strengthening social inclusion. It is desirable in planning terms that **new housing development in both rural and urban areas should incorporate a reasonable mix and balance of house types and size to cater for a range of housing needs.**"

The Assembly's **Technical Advice Note 2 Planning and Affordable Housing (TAN2)** of June 2006 also provides a context for seeking affordable homes as part of new residential development.

In Flintshire, the **Unitary Development Plan (UDP)** recognises as a strategic issue the **need for "the provision of a range of housing including affordable and special needs housing"** in **Policy STR4 Housing**, supplemented by two key policies in relation to the provision of affordable housing, reproduced in **Appendix 1**. Where there is a local need for affordable housing, **Policy HSG10 requires the provision of affordable homes as part of large residential developments within settlement boundaries**; that is, within the confines of the towns and larger villages as defined for planning purposes. A list of these settlements is provided in **Appendix 2**. **Within settlement boundaries where there is demonstrable need for affordable housing to meet local needs, the Council will take account of this as a material consideration when assessing large housing proposals, namely those for 25 or more units or occupying one hectare or more.** (Note that such sites in total comprise below half of the county's housing land requirements for 2000-2015, as set out in the UDP.) **Where this need exists the Council will negotiate with developers to provide 30% affordable housing in suitable appropriate schemes within defined settlement boundaries.** It will not be acceptable to deliberately sub-divide or phase the total development in an attempt to avoid the provision of affordable housing.

Policy HSG11 allows affordable housing outside of these settlement boundaries under specified circumstances where rural exceptions can be justified. The localities to which this exceptions policy applies are listed in **Appendix 3**. TAN2 makes it clear that the case for releasing such sites is a matter for local judgement and that it is not envisaged that the scale of provision will be large or such as to unbalance the pattern of settlements in the county. In line with national policy, there may be a few additional localities such as some brownfield sites where affordable housing may be acceptable.

What is affordable housing, who is it for and how is affordability measured?

Affordable housing is defined as dwellings which meet the needs of those people in the local community whose income does not enable them to buy or rent property suitable for their needs in the open market, for as long as they are required within the community. The different types of affordable housing are described

later. "Affordable" does not mean built to low standards: the housing should incorporate low cost maintenance and energy efficiency measures, and meet current building regulations.

Affordable housing should be provided to meet the genuine needs of local people. **"Local people" are defined as households of which at least one adult occupant either works within Flintshire or has had his/her only or principal home within Flintshire for a continuous period of five years.** (Five years can be made up in part by living, and in part by working in Flintshire.)

The **affordability** of any particular household depends on the relationship between the amount that the household is able to afford and the cost of appropriate local housing. It is considered that **a household is not eligible for a mortgage if it has a gross household income less than one third its mortgage requirement, and it is unable to afford private rented accommodation if renting privately would take up more than 30% of its net disposable household income.**

Options for affordable housing provision

Whilst all types of affordable housing provision are needed in the county, the Council will require the applicant to consider the type of homes to be provided in a **cascading order of preference**, as follows:

1. **Social Rented** - through an RSL, such as a housing association.
2. **Shared Ownership** - through an RSL or other bona fide management organisation.
3. **Subsidised Market Homes** - provided as low cost discounted housing for sale.
4. **Private Rented** - provided as low cost rented accommodation.

Working through the order of preferences the applicant should consider the feasibility of including each type of housing within their proposed development scheme and provide justification for their final approach. Whilst the Council appreciates the need for schemes to be viable, it will stress the need for affordable homes to meet local community needs, and will negotiate accordingly with applicants. **Applications which provide a form of affordable housing which is not considered to best meet the needs of the local community will be regarded less favourably.**

Whilst certain types of affordable homes are more preferable than others, the Planning Authority considers that there is sufficient scope for negotiation to ensure a reasonable mix of tenures are provided to meet the different types of affordable housing need. (See **Appendix 4**).

Types of affordable dwellings

Working from the above list, these are:

- **Social rented housing on site** provided by the developer and transferred at a discount to an RSL approved by the Council. The maximum sales values will be set according to the formula of the Welsh Assembly Government's Acceptable Cost Guidance Levels minus the associated level of social housing grant that would have been available. The developer's financial contribution will equal the social housing grant.
- **Shared ownership on site.** This may appeal to households who can afford a mortgage but who are not able to afford to buy a property outright. Shared ownership costs will vary according to the market value, interest rates and the percentage of equity sold. Onsite shared ownership housing provided by the developer will be transferred to an RSL or other bona fide management organisation approved by the Council. Schemes similar to "Homebuy" may be acceptable if affordability of the units can be preserved in perpetuity.
- **Onsite subsidised/discounted market rate housing and privately rented housing.** The standard, size and type of such housing must satisfy needs and accord with local planning and housing policies. Discounted market rate housing must be affordable in perpetuity. As such, the Council will require landowners and developers to enter into covenants which will also bind future owners to ensure that affordability is maintained. In order to make such housing to buy affordable its price will be established with reference to income levels for households unable to buy in the County. Values for discounted market rate housing to buy will be restricted to a maximum of three times the average household income. Values for discounted market rate housing for rent will equal the rent charged by a regulated organisation on a similar sized property in the locality.

Exceptionally, consideration may be given to:

- **Offsite provision** If in exceptional circumstances it can be justified by the applicant that none of the previous affordable housing options nor combinations of those options can be accommodated onsite then it will be important to consider the potential for offsite provision. Where exceptions are made alternative off-site provision will be required in the vicinity of, and at the same time or prior to the completion of, the facilitating residential development.

Only as a last resort, **not making a provision for affordable housing** will be considered where:

- The case for off-site provision has been satisfactorily made but no viable or suitable site has been identified or secured, in which case a commuted sum will be payable.
- Previous planning history makes it unreasonable to require affordable housing.

- The proposal meets an over-riding approved regeneration aim/project in which the introduction of affordable housing would seriously prejudice the project.

Rural exceptions sites

In the rural areas it is likely that there are insufficient housing sites of a sufficient size available within settlement boundaries to provide an element of affordable housing. Thus, **Policy HSG11** is an exception to the general principle that new housing will not be permitted outside settlement boundaries. For the purposes of this policy, **“villages” are those settlements listed in Appendix 3.**

Sites must be located immediately adjacent to the edge of the village and respect the physical appearance and design characteristics of surrounding properties. It is not envisaged that the scale of provision on these sites will be large or out of balance with the character, form and function of the village or the existing pattern of settlements in Flintshire, and will take account of landscape and other environmental considerations.

This policy does not apply to proposals by local people for individual self-build dwellings where satisfactory proposals cannot be made to ensure that the dwelling remains affordable in the same way. It is an essential part of the policy that occupation of the dwellings can be controlled in the long term so that successive occupants can benefit. The most practical way this can be achieved is by involving an organisation such as the County Council, a housing association or the formation of a local trust. The organisation or the developer will be expected to enter into a **Section 106 agreement** (see below) to ensure homes remain affordable.

Planning matters

Pre-application discussions

Discussion with the appropriate officer in the Development Control Section, Planning Services, County Hall, Mold, CH7 6NF, is advisable before making the planning application in order to understand fully the Council’s affordable housing requirements. **Initial contact** should be with one of the Planning Support Officers from that Section, on 01352 703234.

Detailed matters for consideration

In considering proposals for affordable housing it will be important to ensure:

- The **design and layout** of the proposed affordable housing, both in terms of the site and individual housing units, will be in character with the locality and should be designed to ensure that the proposed affordable units and existing housing and proposed market housing blend together. The affordable housing should be dispersed across the site, and phased into the development of the site as a whole because the Council seeks to create mixed and balanced communities.
- The **size of individual dwellings** should be suitable to meet the established need and not too large, or it may become unaffordable. A condition removing permitted development rights may be appropriate, so that they are not extended and thereby become unaffordable.
- The provision of affordable homes does not substitute the need for the developer to make provision for **other reasonable planning requirements**. For example, where there is a requirement for public open space this will be in addition to requirements for affordable homes.
- Any homes provided under the guise of affordable housing are subject to a **Section 106 Agreement** to ensure affordability for as long as there is a need within the community.
- Where an RSL is required for the scheme, the **RSL must be involved from the outset** of the scheme.

Conditions and Section 106 Agreements

Under Policy HSG10 it is essential that the future occupation of affordable housing is retained for those in local need. This will be achieved through a planning condition or Section 106 agreement covering the management of the scheme by an appropriately regulated RSL or similar body. **LPG Note 22 Planning Obligations** in this series provides more detailed information.

A **phasing condition** may also be applied to the planning permission for a housing site to ensure that a specified proportion of the market price housing on the site cannot be occupied until the affordable element has been built and allocated to a household in need of affordable housing.

In negotiating the provision of affordable homes the LPA will seek to secure a **legal agreement** with the applicant, with the following legal expectations:

- a. Where it is anticipated that a RSL will be involved in the scheme that they be a signatory to the legal agreement between the LPA and the developer.
- b. The type and quantity of affordable housing provision will be specified within the legal agreement.
- c. The location of affordable housing will be shown by the inclusion of a map within the legal agreement.
- d. The legal agreement will contain provisions to ensure the completion of affordable units before the completion and occupation of the remainder of the development.
- e. The legal agreement should explicitly state how the properties will be maintained in an affordable state to meet future housing need within Flintshire.

- f. To ensure that affordable homes are allocated to local households in genuine housing need it will be important that the legal agreement shows how households in affordable housing need will be assessed.
- g. The legal agreement should include criteria which determine initial sale prices together with a protection mechanism for future re-sales and the terms under which re-sales will be subject to. Provisions should also be included to calculate initial rents together with future rental increases which should be restricted to inflationary rises only.
- h. The legal agreement will specify the appropriate trigger during the development when the ownership of affordable homes should be transferred to the care of an RSL or other specified management body.
- i. That the legal agreement make provision for alternative means of securing affordable housing to allow for those unforeseen instances where efforts to secure RSL funding fails.

Appendix 1: The relevant UDP policies

Policy HSG10 Affordable Housing within Settlement Boundaries

Where there is a demonstrable need for affordable housing to meet local needs, the Council will take account of this as a material consideration when assessing housing proposals. Where this need exists the Council will negotiate with developers to provide 30% affordable housing in suitable or appropriate schemes within settlement boundaries.

Policy HSG11 Affordable Housing in Rural Areas

Outside village settlement boundaries, proposals to develop affordable housing in rural areas will only be permitted in exceptional circumstances, where:

- a. there is evidence of genuine local need for such provision;
- b. there are no suitable alternative sites or properties within settlement boundaries to meet the need;
- c. schemes abut settlement boundaries and form logical extensions to settlements, avoiding ribbon and fragmented development and incorporates suitable boundary treatment and landscaping measures;
- d. the scale, design, and layout of the proposed development are sympathetic and appropriate to the size and character of the settlement and its landscape setting, and reflects the scale of need identified;
- e. houses will remain affordable in perpetuity for those in need, managed by a housing association, the County Council, a bona fide trust or similar organisation.

Appendix 2: Settlements to which Policy HSG10 applies

Afonwen	Holywell
Alltami	Hope, Caergwrle, Abermorddu, Cefn y Bedd
Bagillt	Leeswood
Bretton	Lixwm
Broughton	Llanasa
Brynford	Llanfynydd
Buckley	Mold
Cadole	Mostyn
Caerwys	Mynydd Isa
Carmel	Nannerch
Cilcain	Nercwys
Coed Talon & Pontybodkin	New Brighton
Connah's Quay	Northop
Cymau	Northop Hall
Deeside Settlements*	Pantymwyn
Dobshell	Pen- y- ffordd
Drury & Burntwood	Pentre Halkyn
Ewloe	Penyffordd & Penymynydd
Ffrith	Pontblyddyn
Ffynnongroyw	Rhes- y- cae
Flint	Rhewl Mostyn & Phorthladd Mostyn Port
Flint Mountain	Rhosesmor
Gorsedd	Rhydymwyn
Greenfield	Saltney
Gronant	Soughton
Gwaenysgor	Talacre
Gwernaffield	Trelawnyd
Gwernymynydd	Trelogan & Berthengam
Gwespyr	Treuddyn
Halkyn	Whitford
Hawarden	Ysceifiog
Higher Kinnerton	

* - Deeside Settlements comprises Aston, Garden City, Mancot, Pentre, Queensferry, Sandycroft and Shotton.

Note that, for all settlements, it is necessary to view the Proposals Map of the UDP, which shows in detail the considered boundaries of each settlement, in order to understand the planning situation in any particular settlement.

Appendix 3: Settlements to which Policy HSG11 (rural exceptions) applies

Afonwen	Gronant	Mostyn	Rhydymwyn
Brynford	Gwaenysgor	Nannerch	Sychdyn
Cadole	Gwernaffield	Nercwys	Talacre
Caerwys	Gwernymynydd	Northop	Trelawnyd
Carmel	Gwespyr	Northop Hall	Trelogan & Berthengam
Cilcain	Halkyn	Pantymwyn	Treuddyn
Coed Talon & Pontybodkin	Higher Kinnerton	Penyffordd	Whitford
Cymau	Hope, Caergwle, Abermorddu, Cefn y Bedd	Pentre Halkyn	Ysceifiog
Ffrith	Lixwm	Rhes y Cae	
Fynnongroyw	Llanasa	Rhewl Mostyn	
Gorsedd	Llanfynydd	Rhosesmor	

These are villages of Category B and C settlements according to the UDP and which fall within the rural area as defined by the Cadwyn Leader+ area and/or the area defined under the Article 33 Rural Areas Initiative maintained by the National Assembly for Wales.

Appendix 4: The Housing Needs Survey

In June 2005 Fordham Research presented their Housing Needs Survey (HNS) to their client Flintshire County Council, based on work undertaken from October 2004 onwards. Their Executive Summary report can be viewed on the website. This Appendix summarises the Survey.

The Survey concludes that there is an affordable housing need in Flintshire, with a **significant shortfall in the number of available and affordable smaller properties**. 91% of the identified need is for one and two bedroom dwellings. The report explicitly states that to meet affordable needs within the County “**as much affordable housing as possible should be sought on new residential developments.**” It also indicates the type of affordable homes, in terms of size, tenure and affordability, required to meet identified shortfalls in affordable housing provision. Fordham Research considers that as there are wide variations in household income across Flintshire, this makes it difficult to identify a “one size fits all” solution to the problem of affordable housing provision. As such there is a need to consider both social housing (that is, rented housing provided at below market cost by either the Local Authority or an RSL) and intermediate housing (that is, housing providing for households who cannot afford market priced starter homes but can afford more than social rents) to satisfy local housing need.

The HNS analysis of affordable housing need concludes that the majority of those households able to afford intermediate homes could only afford the cheapest ‘intermediate’ housing (prices close to social rents) and so traditional options such as shared ownership may be of little benefit in meeting large quantities of housing need. The report goes on to state, “**it is likely that most of the new affordable housing provision will need to be social rented housing if it is to meet much of the need in Flintshire.**”

The Survey indicates that there is significant need for affordable dwellings to be provided at the cheaper end of the pricing spectrum, as shown in Table 1.

Numbers of households					
Size Requirement	Social Housing	Cheapest Intermediate Housing	2 nd	3 rd	Most Expensive
Single Bed	501	116	135	98	0
Two Bed	235	58	88	16	45
Three Bed	40	36	43	0	0
Four + Bed	21	11	0	0	69

In order to meet identified affordable needs properties should be priced in the mortgage bands shown in Table 2. The prices shown should ideally include both mortgage repayment and any additional payments required, for example ground rent.

Approximate outgoings (£/week)				
Size Requirement	Cheapest Intermediate Housing	2 nd	3 rd	Most Expensive
Single Bed	£46-£59	£60-£74	£75-£89	£90-£103
Two Bed	£48-£65	£66-£82	£83-£100	£101-£118
Three Bed	£54-£77	£78-£101	£102-£125	£126-£149
Four + Bed	£66-£103	£104-£141	£142-£178	£179-£216

Appendix 5: Useful Contacts

The following are local **Registered Social Landlords**:

Pennaf Housing Association
Unit 14
Ffordd Richard Davies
St Asaph Business Park
St Asaph,
Denbighshire
LL17 OLJ

Cymdeithas Tai Clwyd
54 Strd y Dyffryn, (Vale Street),
Dinbych
Denbighshire
LL16 3BW

Cymdeithas Clwyd Alyn
46-54 Stryd y Dwr, (Water Street),
Rhyl
Denbighshire
LL18 1SS

Wales and West Housing Association
Unit 2 Acorn Business Park
Aber Road
Flint
Flintshire
CH6 5YN

In addition to the above it may be useful to approach **Flintshire County Council's Housing Manager** at Flint Offices, Flint, Flintshire CH6 5BD. (Telephone 01352 703800)

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FLINTSHIRE COUNTY COUNCIL

REPORT TO: **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

DATE: **WEDNESDAY 15TH OCTOBER, 2014**

REPORT BY: **HOUSING AND LEARNING OVERVIEW & SCRUTINY FACILITATOR**

SUBJECT: **FORWARD WORK PROGRAMME**

1.00 PURPOSE OF REPORT

1.01 To consider the Forward Work Programme of the Housing Overview & Scrutiny Committee.

2.00 BACKGROUND

2.01 Items feed into a Committee's Forward Work Programme from a number of sources. Members can suggest topics for review by Overview & Scrutiny Committees, members of the public can suggest topics, items can be referred by the Cabinet for consultation purposes, or by County Council or Chief Officers. Other possible items are identified from the Cabinet Work Programme and the Strategic Assessment of Risks & Challenges.

2.02 In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:

1. Will the review contribute to the Council's priorities and/or objectives?
2. Are there issues of weak or poor performance?
3. How, where and why were the issues identified?
4. Do local communities think the issues are important and is there any evidence of this? Is there evidence of public dissatisfaction?
5. Is there new Government guidance or legislation?
6. Have inspections been carried out?
7. Is this area already the subject of an ongoing review?

3.00 CONSIDERATIONS

3.01 Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work Programme of the Committees of which they are Members. By reviewing and prioritising the Forward Work Programme Members are able to ensure it is Member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix 1 for Members' consideration which has been updated following the last meeting.

4.00 RECOMMENDATIONS

4.01 That the Committee considers the draft Forward Work Programme attached as Appendix 1 and approve/amend as necessary.

5.00 FINANCIAL IMPLICATIONS

5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

9.01 None as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 N/A.

11.00 CONSULTATION UNDERTAKEN

11.01 Publication of this report constitutes consultation.

12.00 APPENDICES

12.01 Appendix 1 – Forward Work Programme

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

None.

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Email: ceri.owen@flintshire.gov.uk

CURRENT FWP

Date of meeting	Subject	Purpose of Report	Scrutiny Focus	Responsible / Contact Officer	Submission Deadline
26 November, 2014	Update on North East Wales Homes & Property Management	To update Members on the work of the North East Wales Homes & Property Management	Performance Monitoring	Chief Officer (Community and Enterprise)	18 November 2014
	Housing Act	To inform Members of the implications of the Housing Act and Homelessness Pilot	Service Delivery	Chief Officer (Community and Enterprise)	
	Service Charges / Assisted Gardening Service	To consider changes to service charges and proposals for the Assisted Gardening Service	Service Delivery	Chief Officer (Community and Enterprise)	
14 January, 2015	Quarterly Performance Reporting	To consider Q2 performance outturns for improvement targets.	Performance Reporting	Chief Officer (Community and Enterprise)	6 January 2015
	Review of Strategic Housing Partnership	To review the Strategic Housing Partnership	Service Delivery	Chief Officer (Community and Enterprise)	
	Update on Tenant Involvement	To consider tenants satisfaction results and the involvement of tenants in service improvements.	Performance Monitoring	Chief Officer (Community and Enterprise)	

	Update on the implementation of SARTH	To update Members on the implementation of the regional housing register and allocations policy	Performance Monitoring	Chief Officer (Community and Enterprise)	
24 February, 2015	Work of RSL's operating in Flintshire	To enable the Committee to meet with representatives of Housing Associations operating in Flintshire.	Service Improvement	Chief Officer (Community and Enterprise)	16 February 2015
24 March 2015	Quarterly Performance Reporting	To consider Q3 performance outturns for improvement targets.	Performance Reporting	Chief Officer (Community and Enterprise)	16 March 2015
	Private Sector Housing Renewal	To consider progress on the delivery of Flintshire's first Renewal Area, general service development and county wide projects.	Performance Monitoring	Chief Officer (Community and Enterprise)	
	Vibrant and Viable Places	To review progress made following the allocation of funding as part of the Vibrant and Viable Places Bid.	Performance Monitoring	Chief Officer (Community and Enterprise)	
Members of the Environment OSC invited for this item					

REGULAR ITEMS

Month	Item	Purpose of Report	Responsible / Contact Officer
Quarterly / Annual	Performance Reporting	To consider performance outturns for improvement targets against directorate indicators.	Chief Officer (Community and Enterprise)
Six monthly	Private Sector Housing Renewal	To consider progress on the delivery of Flintshire's first Renewal Area, general service development and county wide projects.	Chief Officer (Community and Enterprise)
Annually	Update on Delivery of Choices Document	To receive an update report on the delivery of the Choices Document.	Chief Officer (Community and Enterprise)
Six monthly	Welfare Reform Update – including Universal Credit	To update Members on the impact of Welfare Reform and the cost to the Council.	Chief Officer (Community and Enterprise)
Six monthly	Update on North East Wales Homes & Property Management	To update Members on the work of the North East Wales Homes & Property Management	Chief Officer (Community and Enterprise)
Annually	Vibrant and Viable Places	To review progress made following the allocation of funding as part of the Vibrant and Viable Places Bid.	Chief Officer (Community and Enterprise)