

CABINET

Date of Meeting	Tuesday, 18 th October 2022
Report Subject	Strategic Housing and Regeneration Programme (SHARP), Update Report
Cabinet Member	Cabinet Member for Housing and Regeneration
Report Author	Chief Officer (Housing and Communities)
Type of Report	Strategic

EXECUTIVE SUMMARY

The report aims to inform members of the progress of SHARP six years in and to set the strategy for new affordable homes for the next five years. The Council entered into a five year partnership with Wates to help develop new council housing in 2016 and to date have delivered 149 new council homes, 173 NEW Homes properties, the Maes Gwern development and further 77 in the pipeline.

The report updates the situation since last reported in February 2021, outlines progress under the new welsh procurement framework partnership and also the net zero carbon working group, highlights changes in the WG new build priorities, the new funding regime and its implications for Flintshire and NEW Homes. It also suggests an outline programme for further development for the next five years.

The report also covers changes to the criterion for registration with Tai Teg, the regional affordable housing provider.

RECOMMENDATIONS

1	Cabinet to note progress with SHARP to date.
2	Cabinet to note the changes in WG funding for social housing
3	Cabinet to note the changes to the criterion for registration with Tai Teg for affordable rented housing

4	Cabinet to note the outline development programme SHARP 2
5	Cabinet to support the re-allocation of £121K budget for scheme investigation and feasibility works to support new delivery routes.

REPORT DETAILS

1.00	EXPLAINING THE STRATEGIC HOUSING AND REGENERATION PROGRAMME (SHARP)
1.01	The Welsh Government's 'Prosperity for All: the national strategy' recognises the central importance of affordable homes, and the role which housing plays in society. In recent times, both the Council and stakeholder partners have stepped in to address the impact of many families struggling to afford food during lockdown the devastation caused by repeat flooding and the impact of the COVID-19 outbreak. All of this work has taken place while continuing with the ever-present challenges of delivering social and affordable housing, high quality care and support services and activity to, or regenerate local communities.
1.02	Flintshire was one of the first local authorities in Wales to re-commence building social and affordable housing through its Strategic Housing And Regeneration programme (SHARP) with the aim of delivering up to 500 new Council Social Rented and Affordable Rented properties over a five year period, along with a number of broader economic and regeneration strategic priorities. The Council is working with Wales Construction under a strategic partnership relationship as defined within the Overarching Agreement for SHARP dated 29 th April 2016.
	Welsh Government SHG
1.03	The Welsh Government (WG) have embarked upon an ambitious programme of social housing development for the next 5 years. The aim is to build 20,000 new social rented homes across Wales to zero carbon emissions. A revised Welsh Development Quality Requirement (WDQR) standard has been adopted from October 2021. A Social Housing Grant (SHG) has been implemented with variable grant rates dependent on scheme viability. The funding for new homes has been vastly increased. To illustrate this for Flintshire the allocation of funds has increased from around £4 million in 2020/21 to over "£13 million in 2021/22. Significantly for FCC Social Housing Grant (SHG) is now available to Local Authorities as well as RSL's (Registered Social Landlords).
1.04	Additionally there is an enhanced requirement for LA's administering and developing PDP (Planned Development Programme) and the requirement to produce an annual housing prospectus which summarises the local needs and demonstrates how the PDP will meet that need. It is also evident from the new grant framework that additionally subsidy cannot be used in conjunction with SHG. We will need to devise strategies to address the impact of this on both FCC and NEW Homes.

1.05 All housing for Wales shall meet the Welsh Government's Development Quality Requirements (DQR). The requirements of the DQR shall take precedent over the general specification provided with the ITT where relevant and shall be considered when pricing works under the framework. Any future schemes must be in line with the DQR or subsequent requirements set by the Welsh Government following its recent consultation process. Fossil fuels should not be used for social housing for all schemes approved hereafter. The guiding principle should be fabric first to produce very high energy efficiency.

Current Position SHARP

1.06 The table below summarises the current position with SHARP.

SHARP Property Numbers as at May 2022.	
Completed Housing Revenue Account (HRA) Social Rent	149
Completed NEW Homes (Affordable Rent)	93
Completed Private Sales (Maes Gwern Wates)	106
On-Site Low Cost Home Ownership (Shared Equity) (Maes Gwern Wates)	22 (17 sold)
On-Site Housing Revenue Account (HRA)	30
On-Site NEW Homes (Affordable Rent)	0
On-Site Private Sales as yet unsold (Maes Gwern Wates)	6
Cabinet Approved	41
Awaiting Cabinet Approval	0
Total	447
NEW Homes (outside SHARP i.e. gifted, section 106, package deals	80
GRAND TOTAL	527

1.07	<p>These schemes will be the final schemes which the existing arrangements allow through the Overarching Agreement with Wates which should have ended in April 2021. However the impact of Covid lockdown and other factors have seen three schemes delayed in their completion. These are: Maes Gwern due to complete around August 2022: Mostyn (30 homes for social rent) now on site and due to complete December 2022/January 2023: Gronant (41 new homes) has not commenced on site following delays in planning discharges, an agreed decision to defer beginning the project in the winter as the build out entailed a massive earth movement at the project commencement. At present we are discussing revised pricing from the contractor.</p>														
	<p>Homes delivered outside of the SHARP</p>														
1.08	<p>In addition to SHARP, the Council and NEW Homes in partnership have delivered a further 148 social (9) and affordable (139) homes. These have been delivered by North East Wales Homes as detailed below.</p> <table border="1" data-bbox="323 792 1193 1487"> <thead> <tr> <th colspan="2" data-bbox="323 792 1193 898">Non-SHARP Property Numbers as at 21st January 2021 (Completions)</th> </tr> </thead> <tbody> <tr> <td data-bbox="323 898 874 1003">Housing Revenue Account (HRA) Social Rent "Gifted" properties</td> <td data-bbox="874 898 1193 1003">4</td> </tr> <tr> <td data-bbox="323 1003 874 1108">Housing Revenue Account (HRA) Purchase of Right-to-Buy Properties</td> <td data-bbox="874 1003 1193 1108">5</td> </tr> <tr> <td data-bbox="323 1108 874 1214">Completed NEW Homes (Affordable Rent) Section 106 "Gifted" properties</td> <td data-bbox="874 1108 1193 1214">61</td> </tr> <tr> <td data-bbox="323 1214 874 1350">Completed NEW Homes (Affordable Rent) Section 106 "Purchase" properties</td> <td data-bbox="874 1214 1193 1350">15</td> </tr> <tr> <td data-bbox="323 1350 874 1413">NEW Homes Board Approved</td> <td data-bbox="874 1350 1193 1413">63</td> </tr> <tr> <td data-bbox="323 1413 874 1487">Total</td> <td data-bbox="874 1413 1193 1487">148</td> </tr> </tbody> </table>	Non-SHARP Property Numbers as at 21st January 2021 (Completions)		Housing Revenue Account (HRA) Social Rent "Gifted" properties	4	Housing Revenue Account (HRA) Purchase of Right-to-Buy Properties	5	Completed NEW Homes (Affordable Rent) Section 106 "Gifted" properties	61	Completed NEW Homes (Affordable Rent) Section 106 "Purchase" properties	15	NEW Homes Board Approved	63	Total	148
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1.09	<p>Appendix 1 lists the schemes delivered thus far. It also sets out a programme of future delivery spread out over the next 3 years SHARP2. Many of the schemes are indicative at this stage. As we own many of the sites listed we will not benefit for grant for the acquisition. It should also be noted that for LA's grant is only payable after work has actually commenced and been invoiced.</p>														
1.10	<p>We need to allow time for the various regulatory steps such as WG technical approval, which is sought before planning is applied for. There are currently issues outside our direct control which may impact on the process such as the new flood maps across Wales (now to be implemented from July 2023) which is affecting the proposed development of the former Canton depot at Mostyn, or the phosphate issues affecting sites draining into the Alyn/Dee.</p>														

1.11	The schedule for the last quarter of 2022/23 is ambitious and is very likely to slip given the processes to be achieved. This will require close monitoring and an open and honest dialogue with WG, as they will need to manage the overall budget, and transfer budgets within LA's, regions and across Wales. However we are very confident that any slippage into next year, and next year's proposed programme can achieve all the necessary regulatory steps in order to take up the allocations in the PDP thereafter. Moreover the strategy should be to prepare as many schemes as possible up to and including planning and Sustainable Drainage Approval Body (SAB) permissions as well as Cabinet and NEW Homes Board approvals in order to not only spend our agreed allocations of SHG, but to have "ready on the shelf" schemes to absorb underspends elsewhere across Wales. "Deliverability" is clearly key to WG.
	Section 106 Gifted
1.12	These properties are transferred to NEW Homes as "unencumbered assets" and have been an important source of growth for the company during its formative years and has helped it reach a total of 159 properties. The positive working relationship which has evolved between the Council, NEW Homes and construction partners through the development of this product has facilitated the rapid delivery of a high quality product in communities where the availability of Affordable Rent properties has enabled local people to remain within their community.
1.13	NEW Homes currently has 61 Section 106 Gifted units and are anticipating to receive a further 12 homes from developers meeting their affordable housing provision obligations through Section 106 Agreements.
	Section 106 Purchase
1.14	NEW Homes has built on the positive relationship it has developed with local contractors by purchasing Section 106 units. These require minimum resource and are bought at a maximum of 70% of the open market value of the properties. To date, 15 units have been purchased using this approach and up to a further 7 are under negotiation with Wates to acquire unsold equity share homes at Maes Gwern.
	Buy Back of Former Right to Buy Properties
1.15	In addition to NEW Homes, the Council's Housing Revenue Account has also purchased five former Right to Buy homes. We are reviewing the options for this approach both for NEW Homes and FCC stock.
	Package Deals with housing associations and private developers
1.16	The NEW Homes Board had approved the delivery of 47 properties to be delivered through package deals although a number have not been able to proceed.
	Delivering Net Zero - Project Summary
1.17	<u>Purpose</u> – The project social landlords have come together to develop a standardised specification/pattern book for the next generation of high

	<p>performing, off-site manufactured, low carbon homes. This specification/pattern book will be used by the member social landlords to help build out their pipeline of new affordable homes. The project will use the aggregated pipeline demand for new zero carbon homes from the member social landlords to agree practical plans to strengthen local supply chains, green skills and resident involvement.</p>
1.18	<p><u>Background</u> - This project builds on the foundational work of Home Grown Homes and Crisp Innovation project funding. It is closely aligned to Welsh Government plans to build 20,000 new net zero affordable homes.</p>
1.19	<p><u>Project Membership</u> - The Delivering Net Zero project membership comprises 17 social landlords. 11 Welsh councils who have retained their council housing (Caerphilly, Cardiff, Carmarthenshire, Denbighshire, Flintshire, Isle of Anglesey, Pembrokeshire, Powys, Swansea, Vale of Glamorgan and Wrexham) and 6 housing associations (Caredig, Cartrefi Conwy, Coastal, Homes, Monmouthshire Homes, Tai Tarian and United Welsh).</p>
1.20	<p><u>Phase 1 Deliverables</u> – To understand the new social housing pipeline requirements of the project members to ensure that the project meets their needs.</p> <p>A supplier will be procured (through an Innovation Partnership) to work with project members and other key stakeholders (including Welsh Government, funders, manufacturers, installers and citizens) to:</p> <ul style="list-style-type: none"> ○ Design a standardised timber fabric solution which can be applied to a number of standard pattern book designs that meets the needs of the member social landlords ○ Test the designs ○ Achieve a system warranty ○ Produce a quality assured manual for the manufacture and assembly of the homes
1.21	<p><u>Phase 2 Deliverables</u> – To support project members to:</p> <ul style="list-style-type: none"> ○ Let contracts, using the pattern book designs agreed in phase 1, to supply new homes using competent and accredited/qualified Welsh based manufacturers and installers. <p>The precise approach (for example using regional frameworks) will be agreed through dialogue between project members, supply chain and business support stakeholders to:</p> <ul style="list-style-type: none"> ○ Deliver quality and affordability ○ Strengthen manufacturer and installer SMEs
1.22	<p><u>Support and Funding</u> – The project is wholly funded by contributions from each of the 17 participating social landlords. Powys County Council are holding the project funds on behalf of the steering group. The project is supported by Welsh Government - including previous Collaborative</p>

	Research and Innovation Support Programme (CRISP) Innovation grant and through hosting the Delivering Net Zero project staff team comprising 1 full time Project Team Lead and 1 part time Technical Team Lead.										
	Current Housing Need in Flintshire										
	SARTH Housing Register										
1.23	<p>Demand is rising significantly. As March 2022, there were 2401 (previous figure 1985) households on the social housing register (SARTH). The highest demand areas are Flint, Mold and Mynydd Isa, Buckley, Connah's Quay, Queensferry and Shotton.</p> <p>The incidence of homelessness is also increasing with over 1300 applications made in the year end March 2022 and over 100 households in emergency and temporary accommodation.</p>										
	Tai Teg Affordable Housing Register										
1.24	Tai Teg advertises properties as they become available for purchase/ rent. Individuals apply for these properties through Tai Teg and are assessed based on eligibility criteria. This attracts interest in the areas where development is identified but not surprisingly it often doesn't generate demand generally. Both FCC and Tai Teg have sought to promote the service through social media etc.										
1.25	There are currently over 600 applicants registered for purchase in Flintshire and over 700 applicants registered for rent. The highest demand areas for rent and purchase are Buckley, Mold and Mynydd Isa, Connah's Quay. The majority of applicants require 2 and 3 bed houses.										
1.26	Tai Teg have recently reviewed its criterion for admission onto the register for affordable housing having had an independent review equalities impact assessment. Previously it had made being in full time employment and affordability a key factor in the criterion and the impact assessment cast doubt over the legality of this approach in respect of rented homes. This obviously impacts on NEW Homes applicants potentially. A copy of the impact assessment is appended to the report.										
1.27	<p>The revised criterion are set out below and are based purely on affordability;</p> <p>Current criteria</p> <table border="1"> <thead> <tr> <th></th> <th>1 bed</th> <th>2 bed</th> <th>3 bed</th> <th>4bed +</th> </tr> </thead> <tbody> <tr> <td>Income required</td> <td>£16,000 - £20,000</td> <td>£20,500 - £22,500</td> <td>£22,600k - £26,500</td> <td>£27K - £45K</td> </tr> </tbody> </table>		1 bed	2 bed	3 bed	4bed +	Income required	£16,000 - £20,000	£20,500 - £22,500	£22,600k - £26,500	£27K - £45K
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1.28

Proposal to amend to make it easier for the applicant to understand

	1 bed	2 bed	3 bed	4bed +
Income required	£16,000 - £45,000	£20,500 - £45,000	£22,600k - £45,000	£27,000 - £45,000

- **Age** - you must be over 18 years of age.
- Income threshold of £16K - £45K for Intermediate rent.
- Income being :-
 - Income from Employment
 - Carer’s Allowance – weekly in advance or every four weeks
 - Child Benefit - usually every four weeks or weekly if the claimant is a single parent or they receive certain other benefits
 - Disability Living Allowance – usually every four weeks
 - Personal Independence Payment – usually every four weeks
 - Tax Credits, such as Working Tax Credits – every four weeks or weekly
 - Universal Credit – every month including housing element
 - Child Maintenance – would not require legal confirmation. If the payment is frequent and noted in the bank statements that all agreed that this would be ok.
 - Private Pension – rent ONLY
- **Affordable** - – you are unable to meet the affordability requirements for properties on the open market.
- **Accommodation** - the current home is unsuitable and does not meet your family's needs e.g.
 - due to family size - (evidence of overcrowding)
 - affordability - (current rent is unaffordable)
 - specific needs - (reviewed on a case by case)
 - in need due to relationship breakdown and need to leave the rented property.
- **Local Connection** - you will be required to have a local connection with the area based on the allocation policy of the local authority /Registered Social Landlord e.g. live, work or with close family connections:- Parents, Grandparents, Brother & Sister or Adult Children.

1.29

The new criterion therefore no longer makes being in full time employment an essential requirement. Applicants can also include some benefits within their income calculation. This addresses the potential equality impact identified in the report to Tai Teg. However in practice in order to qualify for

	affordable rented products, the vast majority of applicants will need an income which can only be achieved by being in employment.
	Specialist Housing Register
1.30	<p>There are 44 households on the Specialist Housing register requiring an adapted property e.g. wheelchair accessible/ level access or a larger family house (i.e. 4 bed plus).</p> <p>Housing Strategy is working with social services and housing allocations to enhance collaborative working and improve the housing opportunities within the new build programme for different cohorts of people who have specific housing need e.g. care leavers, people with learning difficulties, adaptations etc.</p>
	Housing Revenue Account (HRA) Business Plan
1.31	The Council's HRA business Plan has a prudent target of 50 new social units per year based upon the existing funding regime which is self-financed by the Council. All of the units delivered to date have been delivered without the availability of Welsh Government capital grant. However since SHG became available to local authorities last year, we have modelled our potential schemes to include SHG using the WG standard viability model. (SVM)
1.32	By way of explanation SHG was previously only available to RSL's and had been set at 58% of the eligible scheme costs. From 2021/22 a variable grant has been introduced taking into account the acquisition costs, build costs, running and future repair costs, costs of borrowing netted off against future rents set at social rent levels over 50 years discounted back to a present day value. The difference between the two is the assumed grant. The SVM has itself been adjusted again this year following consultation with LA's and RSL's. FCC has been active in contributing to this debate pointing out some assumptions about interest rates impacting on LA's borrowing negatively and future maintenance assumptions.
1.33	The amount of grant can vary quite significantly depending on the scheme costs and the mix of dwelling types and land acquisition costs (most of our schemes we already own the land). Generally smaller unit sizes will attract less grant. We therefore need to consider this when planning future schemes. Overall the model distributes the resources reasonably well. Rather than expending effort to argue about the minutia of specific schemes the bigger picture is whether the costs of net zero carbon neutral homes without using fossil fuels for heating and hot water can be met from within the current resources across Wales to develop 20,000 social rented and affordable homes.
	Welsh Government Land Release Fund (LRF)
1.34	As reported previously FCC was successful in attracting Welsh Government funding from its Land Release Fund Programme. The purpose of the funding is to help local authorities and Registered Providers bring forward "stalled" sites for residential use (Pre Construction Activity).

	<p>Two Bids totalling £213.5k were submitted for two sites in Connah's Quay at Glynne Street (£48k) and Ffordd Llanarth (£165.5k). The latter will shortly be considered for a bid under the SHG programme for technical approval.</p> <p>The purpose of the funding is to bring together a Project Design Team to oversee the development of two inter-dependent schemes intended to:-</p> <ul style="list-style-type: none"> • Bring forward stalled sites utilising Modern Methods of Construction (MMC); • Develop homes that are certified as Passivhaus and adopt Active Building design principles; • Maximise positive impact on the local economy by using local contractors for example through the North Wales Construction Framework; • Integrate renewable energy generation and storage technologies; • Undertake enhanced energy modelling throughout the design process • Adopt an enhanced data based approach to building monitoring and control • Ensure integration of electric vehicles such as cars, bicycles and buses <p>A further successful bid was made this year totaling £100k plus to demolish the former Pennyffordd school site in preparation for a community open space and new social housing scheme hopefully to come forward for 2023/2024.</p>
	<p>North East Wales Homes Development Strategy</p>
<p>1.35</p>	<p>NEW Homes growth strategy has focused on building 50 units a year through the following streams.</p> <ul style="list-style-type: none"> • Gifted S106 units • Developer S106 purchase • Land and build package deals • Partnership sites with the Council. <p>A number of schemes have unfortunately not transpired as hoped (for example schemes not achieving planning approval, change of land ownership) and the hiatus in the partnership sites with FCC.</p>
<p>1.36</p>	<p>An underlying issue for NEW Homes was always whether it would be able to access SHG. In the absence of any Welsh Government capital subsidy, NEW Homes growth strategy has been partly funded through the availability of commuted sums and shared equity monies which the Council has received through the delivery of new market sales schemes. Whilst approximately £600K has been allocated to future schemes by NEW Homes, there is no guarantee further sums on this scale will be available in the future to maintain the current pace and scale of new developments. The NEW Homes board has reviewed and revised its scheme criterion earlier this year.</p>

1.37	<p>With the advent of SHG for LA's as of last year, we have been in conversation with WG over whether NEW Homes could access SHG also. As wholly owned company with FCC being the sole shareholder we asked whether grant could be given to NEW Homes with FCC effectively the guarantor to WG?</p> <p>WG queried why FCC would wish to continue using NEW Homes as a delivery vehicle for affordable housing as they believed that FCC could under the new legal framework and revised HRA guidance create such tenancies themselves. Our response was that it wasn't clear FCC could do this, and the product being produced (high quality affordable housing at 90% of market rents) was clearly meeting need.</p> <p>The WG response to the request following taking their own legal advice was as follows:</p> <p>SHG was payable to RSL's and LA's only. As NEW Homes was neither WG could not give SHG to NEW Homes. They went on to add it was up to FCC to take legal advice to satisfy itself it had the power and authority so to do. This advice has been shared with the NEW Homes board and the Council. It is ultimately for the Council to determine whether it wishes to pursue this matter and take further advice on powers it has to create and manage other types of tenancy and whether it has the power to use SHG to develop affordable housing products under the banner of its solely owned company.</p> <p>A further report on this issue will be developed for future consideration.</p>
	Self-Build
1.38	<p>Self-Build Wales is delivered on behalf of the Welsh Government by the Development Bank of Wales. WG views self-build as a complementary approach to housebuilding and they would like to see all Local Authorities offer the scheme as it can provide a meaningful contribution to housing supply.</p> <p>Self-Build Wales seeks to encourage individuals, families or communities to build their own homes and provides an alternative route into home ownership. The scheme aims to remove developer profits and provides the opportunity to build a home that is tailored to needs, lifestyle and at a more affordable budget. Homes will be sustainable, high quality and with good design, built using local labour and materials, keeping expenditure in Wales.</p> <p>The financial model is administered by the Development Bank of Wales to help provide a loan to purchase the plot and complete the construction of the house. This is repaid when the house is complete the individual can then mortgage the property.</p> <p>Local Authorities, Housing Associations and private land owners can contribute land to the scheme and provide build ready 'plots' (with services and planning permission in place). The plots are made available for people</p>

	<p>to purchase at open market value. Once purchased the individual is supported through the Development Bank to complete the construction process. The Council can define an eligibility criteria for those wishing to purchase e.g. local connection/ key workers etc. Individuals apply for the scheme and plots through the Self Build Wales website.</p> <p>The Council is exploring opportunities to provide a small number of self-build plots within an existing development to trial the scheme.</p> <p>More information can be found at: https://selfbuild.wales/</p>
	<p>Housing Construction North and Mid-Wales Framework Agreement / WPA Welsh Procurement Alliance</p>
1.39	<p>With the partnership with Wates coming to a close the Council has joined the WPA as its main procurement vehicle to promote greater partnership working through local and regional procurement frameworks, to support local supply chains. This has seen the establishment of the Housing Construction North And Mid-Wales Framework Agreement. This framework has been established by the Welsh Procurement Alliance (WPA) who were asked by all North and Mid-Wales local authorities and zoned housing associations across the region for assistance to make the procurement of new-build housing developments more efficient and in compliance with public sector procurement rules.</p>
1.40	<p>A core principle is the need to encourage as many local contractors to bid to be on the framework as possible. The framework needed to:</p> <ul style="list-style-type: none"> • ensure compliance with public sector procurement rules • provide a quick and easy procurement process • allow for early engagement with local contractors • deliver value for money offer measurable community benefits • Maintain the quality of the developments. <p>At the same time the solutions offered by the framework needed to:</p> <ul style="list-style-type: none"> • be mindful of energy efficiency and the decarbonisation agenda • take into account the Wellbeing of Future Generations Act 201 • provide a collaborative approach with shared expertise and resources
	<p>Framework and Specification</p>
1.41	<p>The framework will be used for the building of all types of housing, including bungalows, flats and apartments, care homes and sheltered and shared accommodation, covering all forms of tenure.</p>
1.42	<p>It also provides for the delivery of associated community buildings to residential developments (such as hubs and sporting facilities e.g. meeting places, health and care centres, recreational facilities and libraries) plus, any associated commercial facilities such as car parks and retail units.</p>

	<p>However, whilst scope for this associated development is included, bidders were not substantively evaluated on this aspect of development, and clients seeking to commission such developments (permissible only as incidental to a residential scheme) will be advised to carry out a mini competition. Capability to compete such developments was also not criteria for selection.</p>
1.43	<p>The framework is divided into four work streams across different geographical areas.</p> <ul style="list-style-type: none"> • Projects of up to 5 units on single or multiple sites • Projects of 6 to 15 units on single or multiple sites • Projects of 16 to 49 units on single or multiple sites • Projects of 50+ units on single or multiple sites.
1.44	<p>The hiatus in development schemes has resulted in only one contract let using this method thus far at the homeless units at Park Lane Holywell and Duke Street Flint. What is clear however from our current partner and feedback from other RSL's is that the sector is facing a very challenging time. Covid, Brexit, and now the conflict in Ukraine have put severe pressure on supply chains, vastly inflated material costs, labour shortages and sub- contractor pricing. More than one partner has seen contractors withdrawing from established contracts because of financial viability issues. This is likely to continue and be a risk factor whilst we seek to ramp up our delivery output.</p>
	<p>Modern Methods of Construction (MMC) Offsite solutions</p>
1.45	<p>The tenderer's contracting package may include an offsite system and works offered shall satisfy the performance requirements set out in the framework specification (Section DD3). Where an Appointed Company proposes to use an offsite system for use in the construction of buildings under the framework, they shall provide full details of the proposed suppliers. The construction of the system shall be in accordance with the relevant manufacturer's instructions using an appropriately trained or qualified workforce.</p>
	<p>Community Benefits</p>
1.46	<p>The tender process, as with the partnership with Wates included evaluation of suppliers in relation to general corporate, social responsibilities, delivery of community benefit projects and social value initiatives. WPA also encourage our clients to include project-specific community benefits initiatives in their call-off contracts. As a not for profit organisation, WPA intends to re-invest any surplus income generated through its procurement activity to support community benefits projects and social value initiatives in the local communities we serve.</p>
	<p>Scheme investigation and feasibility Works</p>
1.47	<p>The Council currently has an annual budget of £121K allocated for scheme investigation and feasibility for schemes in the SHARP. This needs to be</p>

	maintained for future feasibility assessments and developing projects through the regulatory and procurement phases.
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2.00	RESOURCE IMPLICATIONS
2.01	The SHG programme is now around £13 million per year for the next three years, so is a massive enabler for social impact across the county.
2.02	The revenue direct cost is around £120k per year together with staffing resources charged to HRA capital funding.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT	
3.01	<p>The key risks are:</p> <ol style="list-style-type: none"> 1. Not meeting local affordable housing need - The provision of affordable housing ensures that all of the county's residents have a greater opportunity access their own home. If we do not meet this need, homelessness will increase impacting on the Council's budget. 2. Not maximising the impact of commuted sum income in addressing the affordable housing shortage in Flintshire – the Council has its own delivery targets to ensure efficient delivery of affordable housing in areas of greatest need. 3. The environmental impact - This is considered and mitigated during the construction phase. All affordable homes built will meet modern standards for sustainability and energy efficiency and the Flintshire Housing Standard. 	
3.02	<p>All housing schemes delivered through the SHARP are considered and approved by Cabinet. Oversight and monitoring of the SHARP is done through the Housing and Regeneration Programme Board.</p> <p>All schemes are financially assessed to ensure they meet agreed financial parameters for additional borrowing in the HRA and NEWH.</p> <p>WG are also working in partnership with all Councils with HRA stock to ensure borrowing prudential indicators are monitored with their business plans to ensure sustainability of borrowing in the HRA.</p>	
3.03	Ways of Working (Sustainable Development) Principles Impact	
	Long-term	Positive - more affordable homes will be provided in the right location.
	Prevention	Preventing - preventing people becoming homeless through ensuring there is relevant services and accommodation available.

Integration	Positive – the delivery of a range of affordable homes will contribute to Integration within communities.
Collaboration	Positive – the proposed financial arrangements will facilitate greater collaboration between the Council and the local communities which it serves.
Involvement	Positive - the Council has consulted extensively with the local community on the proposed scheme.
Well-being Goals Impact	
Prosperous Wales	Providing good quality affordable homes, aiming for low / zero carbon. Also ensuring the homes are in the place that people need them and will meet their housing needs. Maximising local employment and training opportunities for local people.
Resilient Wales	Positive - Developing low / zero carbon homes though adopting modern methods of construction and other relevant technologies.
Healthier Wales	Positive - Ensuring our homes are fit for purpose and will enable people to stay in their home for longer, and ensuring we have homes that meet the needs of all people in our society including those who are most vulnerable supporting their wellbeing.
More equal Wales	Positive - Providing good quality and decent homes for the most vulnerable people in society including temporary, single household, adapted etc.
Cohesive Wales	Positive - Contributing to attractive, viable, safe and well-connected communities through promoting good design and collaborative delivery.
Vibrant Wales	Positive - Ensuring our communities are diverse through good communication of housing opportunities and support.
Globally responsible Wales	Positive - The outcomes of the strategy will contribute to improving the economic,

		social, environmental and cultural wellbeing of Wales.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None
4.02	The report was presented to the Community, Housing and Assets Overview and Scrutiny Committee on the 27 th September 2022 where Members supported the recommendations.

5.00	APPENDICES
5.01	Appendix 1 : SHARP completed units and programme 2022-2025 Tai Pawb Equality Assessment Tai Teg Affordable housing

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	The North & Mid Wales framework information is at: https://welshprocurement.cymru/frameworks/housing-construction-north-and-mid-wales/

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Paul Calland, Housing Programmes Manager Telephone: 01352 701436 07825377623 E-mail: Paul.calland@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	Strategic Housing And Regeneration Programme (SHARP) – Flintshire County Council House Building Programme. Welsh Housing Quality Standard (WHQS) - Flintshire County Council will be spending £111 million over six years on a major refurbishment and maintenance programme of works bring its 7,200 Council homes up to the Welsh Government’s Welsh Housing Quality Standard (WHQS) new properties across the Council during the next five years.

Welsh Development Quality Standards (WDQS) - This sets the minimum requirements for new housing development covering space standards, energy rating standards and now latterly net zero rated heating and hot water standards excluding fossil fuels.

Standard Development Scheme Assumptions - agreed allowances for voids; maintenance costs; rental income levels (including CPI etc.) and will be used to assess all potential future development schemes to determine Scheme feasibility and viability.

HRA – Housing Revenue Account.

SVM – Standard Viability Model.

PDP – Planned Development Programme.

SHG – Social Housing Grant.

RSL – Registered Social Landlord or Housing Association.