

## CABINET

<b>Date of Meeting</b>	Tuesday, 17 <sup>th</sup> October 2023
<b>Report Subject</b>	Housing Strategy Action Plan Performance Update
<b>Cabinet Member</b>	Cabinet Member for Housing and Regeneration
<b>Report Author</b>	Chief Officer (Housing and Communities)
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

The purpose of this report is to provide an update on delivery of the Housing Strategy Delivery Plan 2019-2024 with particular emphasis on financial year 2022/23.

The Housing Strategy has a delivery plan which sets out 3 strategic priorities and related activity to achieve those priorities:

Priority 1: Increase supply to provide the right type of homes in the right location

Priority 2: Provide support to ensure people live and remain in the right type of home

Priority 3: Improve the quality and sustainability of homes

### **RECOMMENDATIONS**

1.	Provide feedback and any comments on the Housing Strategy Action Plan 2019 -2024.
2.	Note the changes outlined in the report to the following: <ul style="list-style-type: none"> <li>• The PDP process and the move to an online portal</li> <li>• The removal of the 20% limitation on the budget for acquisitions</li> <li>• The alignment of standards and intervention rate for acquisitions under SHG with those from TACP</li> </ul>

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE HOUSING STRATEGY AND ACTION PLAN</b>
1.01	Flintshire's Housing Strategy and Action Plan sets out the vision for how the Council with its partners, will deliver affordable housing, provide the relevant support to its and ensure it creates sustainable homes.
	<b>The Housing Strategy and Action Plan</b>
1.02	The Housing Strategy identifies three priorities with key areas of activity within each priority: <ul style="list-style-type: none"> <li>• Priority 1: Increase supply to provide the right type of homes in the right location</li> <li>• Priority 2: Provide support to ensure people live and remain in the right type of home</li> <li>• Priority 3: Improve the quality and sustainability of homes</li> </ul>
	<b>Priority 1</b>
1.03	Priority 1 aims to address the lack of supply of affordable housing to meet demand, which is evident on the Single Access Route to Housing (SARTH) for social housing and on the Affordable Housing Register - Tai Teg.
1.04	The action plan sets out how we aim to ensure that the right type of homes to meet people's needs are provided in the right locations.
	<b>Priority 2</b>
1.05	Priority 2 aims to ensure we have the right type of housing related support in place to prevent issues that can cause vulnerable people to become homeless.
1.06	The principle of housing related support is to support a person to access, maintain and manage their accommodation by assessing and developing or maintaining the necessary skills and confidence to live as independent a life as possible. The priority will focus on prevention and intervention, and complements the priorities set out in the Regional Homelessness Strategy and local action plan.
1.07	Funding is available to support the prevention of homelessness through Housing Support Grant (HSG) which enables a wide range of additional services and support. HSG does not, however, fund statutory homelessness service delivery.
1.08	It is broader than homelessness and the action plan identifies interventions for different vulnerable groups including people with specialist needs such as those with learning disabilities and older people.
	<b>Priority 3</b>

1.09	<p>Priority 3 aims to improve the quality of existing housing stock and develop innovative, energy efficient new stock to contribute towards target of reducing the emissions of greenhouse gases by 3% per year as set out in the Climate Change Strategy for Wales Delivery Plan for Emission Reduction.</p> <p>Decarbonisation is an evolving agenda and Welsh Government has recently revised the Welsh Development Quality Requirements (WDQR 2021) that relates to all new affordable housing, sets out space standards and aims to progress towards homes being carbon zero. A public consultation on proposals for an update to Welsh Housing Quality Standard (WHQS) was open from 11th May to 3rd August 2022. The results are still awaited.</p>
	<p><b>Progress against the action plan for financial year 2022/23</b></p>
1.10	<p>A previous progress report was presented to Communities and Housing Overview and Scrutiny Committee and Cabinet in December 2022.</p>
1.11	<p>The Action Plan has been updated and responsible officers have provided commentary to explain how the actions are being developed and work is evolving.</p>
	<p><b>Planned Development/Delivery Programme (PDP)</b></p>
1.12	<p>As had been forecast in last year's report we continue to see a significant hiatus in development of new housing across the County. This emanates from the impact of the pandemic, the cost-of-living crisis, rising interest rates together with wage and material inflation and delays in material availability.</p> <p>As part of the LDP adoption process, the Planning Strategy Team have already developed a Phosphate Mitigation Strategy in collaboration with Wrexham County Borough Council. Work by Welsh Water and Natural Resources Wales also continues in relation to a review of Waste Water Treatment Works and whether they have permits to treat phosphorous and are operating within those permits. NRW have recently confirmed permits for Mold and Buckley treatment works and will release their review for Hope works shortly, where the outcome has confirmed that headroom capacity exists at each works to treat further phosphorous from new development, thereby removing the need to mitigate for any phosphate impact.</p> <p>The report advises that completions remain below target in the current year but demonstrates how this will increase in future years as the Planned Development Programme (PDP) approved by Welsh Government gears up to deliver around 730 new homes over the next three years.</p>
1.13	<p>Progress against established measures:</p> <p><b>Council Stock - Nil</b></p> <p>It was expected to be able to report an additional 36 homes had been provided by FCC including:</p> <ul style="list-style-type: none"> <li>• 30 units at Ffordd Hiraethog and Ffordd Pandarus in Mostyn</li> </ul>

- 16 x 1 bed flats
- 6 x 2 bed flats
- 8 x 2 bed houses

Unfortunately, due to inclement weather, the delivery of the units was delayed. The properties have now been completed and are in the process of being allocated to customers.

- 6 homeless units
  - 4 x 1 bed units at Park Lane, Holywell
  - 2 x 1 bed units at Duke Street, Flint

Duke Street properties are now completed and have been allocated and Park Lane was completed in August 2023.

All these schemes secured SHG funding.

**Registered Social Landlords (RSL's) Stock = 44**

RSLs provided 44 additional new homes including 5 units to meet specialist provision.

RSL	Site	LHMA	Property type	Funding Stream	Funds all as per PDP	No
W&W	Bryn Awel, Mold	Mold & Buckley	18 x 1 bed 2 person flats	SHG	PDP tranches over 2018/2019 = £453,050 and 2020/21 = £1,315 835.	18
W&W	Bryn Awel, Mold	Mold & Buckley	5 x 2 bed 4 person flats		As above	5
W&W	Northop United Reform Church	Mold & Buckley	4 x P2B houses	SHG & RCG	PDP tranches 2019/20 = £88,400 (SHG) PDP tranche 2020/2021 (SHG) £402,015. And 2020/21 £3,1000 (RCG)	4
W&W	Northop United Reform Church	Mold & Buckley	2 x 2P1B walk up flats		As above	2
Adra	Pen y Coed, Drury Buckley	Mold & Buckley	7 x 3B houses	SHG	PDP 20/2021 £92, 2285	7
Adra	Pen y Coed Drury, Buckley	Mold & Buckley	1 x 4B house	SHG	As above	1

	FCHA	Longacre Drive, Bagillt	Flint & Coast	Specialist housing provision 2 bed bungalow	SHG	PDP 2021/22 £250,974	1
	FCHA	Fairfield, Holywell	Flint & Coast	4 bed specialist LD	SHG	PDP 2021/22 £472,633	4
	Grwp Cynefin	Homebuy - 27 Deans Close, Bagillt	Flint & Coast	1 x 3B house	RCG	PDP 2022/23 £60,030	1
	Grwp Cynefin	23 Llys Brenig, Ewloe	Mold & Buckley	1 x 3 B house	RCG	PDP 2022/23 £81,530	1
	<b>Total</b>						<b>44</b>
1.14	Despite the delays experienced the Action Plan demonstrates there has been progress and the Council has continued to successfully adapt to new ways of working and achieved continuation of services for Flintshire residents.						
1.15	As previously the Action Plan will be presented annually to Cabinet, Communities and Housing Overview and Scrutiny Committee and Housing Association partners via the RSL Strategic Housing Group.						
1.16	Welsh Government has recently moved the PDP process to an online portal allowing RSL's to add schemes directly onto the system for consideration by the Local Authority Flintshire Housing strategy team.						
1.17	Local authorities have previously been allowed to use up to 20% of their SHG budget for acquisitions. WG now recognises that local authorities might continue to experience difficulties in achieving full spend, so to maximise the number of homes brought forward they are now removing this limitation.						
1.18	Welsh Government is also aligning the standards and intervention rate for acquisitions (existing dwellings & off the shelf purchases) under SHG with those from the Transitional Accommodation Capital Programme (TACP), allowing a greater choice of accommodation options to be delivered at pace.						
1.19	TACP funding for 2023/24 was announced in July 2023 with updated criteria and eligibility published. FCC has submitted an 'expression of wish form' in August 2023 for schemes that Flintshire County Council would like to bring forward for consideration for TACP funding in relation to acquisitions, voids and large-scale acquisitions for conversion.						
1.20	<b>RENEWAL OF THE HOUSING STRATEGY AND ACTION PLAN</b>						
1.21	Flintshire's Housing Strategy and draft Action Plan sets out the vision the Council with its partners, will deliver its affordable housing needs, provide the relevant support to its residents and ensure it creates						

	<p>sustainable homes. The period of the strategy ran from 2019 until 2024. This section suggests a timetable for actions to review and refresh to Strategy from 2025 until 2030.</p>
1.22	<p>The current Housing Strategy built on previous achievements but was developed within the context of the then current challenges such as welfare reform, the increase in ‘hidden’ homeless and limited resources. Much has altered since 2019 notable amongst which are:</p> <ul style="list-style-type: none"> <li>• The UK has left the EU</li> <li>• War in Europe</li> <li>• House prices have risen across Wales £160k in 2019&gt;£219k in 2022</li> <li>• Impact Covid first reported in Wuhan China in December 2019</li> <li>• Inflation/CPI 1.4% in 2019 currently 6.8%</li> <li>• The Pound to the Dollar 2019 £1.22&gt; £0.79 2023</li> <li>• Full implementation of the Rented Homes Wales Act</li> <li>• Rise in homelessness</li> <li>• LDP adopted for FCC</li> </ul>
1.23	<p>The Local Housing Market Assessment is a key tool in assessing demand for housing locally to inform planning policy and the local housing strategy and is due for renewal or refresh.</p> <p>New guidance has been introduced by Welsh Government on the development and formatting of these assessments. Planning and Housing are commissioning Arc4 to undertake this study in the Autumn in readiness for submission to Welsh Government in early 2024.</p>
1.24	<p><b>Next Steps</b></p> <p>The Housing Strategy is a collaborative document and will involve extensive consultation with a wide variety of stakeholders. Following the template of previous iterations of the strategy, the below sets out an outline framework for renewal of the strategy.</p> <ul style="list-style-type: none"> <li>• Member Workshop to outline issues on completion of the draft LHMA February 24</li> <li>• Internal Council/Officer workshop March/April 2024</li> <li>• PRS partners workshop March/APRIL 2024</li> <li>• RSL partners workshop March/April 2024</li> <li>• A draft Strategy Document as a basis for formal external consultation over the Summer of 2024 for consideration of Scrutiny and Cabinet May/June 2024</li> <li>• Formal Consultation July/August 2024</li> </ul>

	<ul style="list-style-type: none"> <li>• Final Review inclusive of comments received during the consultation period by Scrutiny and Cabinet October/November 2024</li> <li>• New plan published December 2024</li> </ul>
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2.00	RESOURCE IMPLICATIONS
2.01	<p>Revenue: The Housing Strategy Action Plan is a strategic document, there are no implications for the approved revenue budget for either the current financial year or for future financial years.</p> <p>Capital: The Housing Strategy Action Plan is a strategic document, there are no implications for the approved Capital programme relating to the Strategy or Action Plan other than already approved borrowing by NEW Homes and through the Housing Revenue Account (HRA) borrowing capacity.</p> <p>Human resources: The Housing Strategy team is operating with limited resources. There were some actions within the Action Plan in 2022 that referred to the potential for new posts to be recruited to assist in delivering additional services.</p> <p>An additional Occupational Therapist to work across the DFG Adaptations and Housing Register Teams to work to improve opportunities for applicants on the Specialist Housing register and build links with other departments is now in post as is an additional Bond Officer.</p> <p>A project post for property acquisitions has been identified and options are being explored as to how best to recruit to this post.</p> <p>Challenges relating to the recruitment and retention of staff remain.</p> <p><u>Agency Staff</u> Two Strategic Housing and Regeneration Programme Delivery Managers commenced in February and March and are now embedded into the Team. A Senior Maintenance Surveyor placement continues.</p> <p><u>Apprentices</u> Two Apprentices, subject to their achieving the required grades to access University places have been recruited and are due to commence September 2023. The graduate trainee will also work across the Housing Asset team.</p> <p>The Housing Team is currently exploring options to recruit for a Project post in relation to “Buy Back” properties.</p>

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	The reporting of the Housing Strategy Action Plan is a progress report rather than a new policy therefore an impact assessment is not deemed as necessary.
3.02	<p>General / background</p> <p>An internal Audit was undertaken in 2022/23 – Right Type of Home in the Right Location - Housing and Communities. The Final report dated March 2022/23 was rated amber/green; key controls generally operating effectively but with recommendations in relation to some fine tuning which we have implemented including the creation of a risk register.</p> <p>Schemes are appraised on a regular basis to ensure that where possible, risks are identified at an early stage and mitigating actions are taken to ensure the timely delivery of Schemes within the PDP.</p> <p>For 2023/24 WG has advised that the Flintshire County Council (FCC) SHG allocation is £13,352,142. WG has set budgets for the next three years. The allocation for years two and three is also £13,352,142.</p> <p>Over this three-year period Flintshire will be allocated circa £40m, however, it has received applications for SHG schemes currently totalling £64m. We currently have around 28 “Main” Schemes listed in the PDP with SHG Grant funding allocated.</p> <p>In attempting to try and ensure that all viable Schemes are included within the PDP it is possible that some allocated grant funding may fall outside the year three funding window.</p> <p>Some RSLs who have previously had all their grant allocations over 3 years may be disappointed and there may also be some impact in relation to their cash flows.</p> <p>In addition, increasing costs has led to some RSLs requiring additional funding to ensure the viability of their schemes. Materials, labour shortages of skilled labour and wider economic pressures on contractor mean some have gone into liquidation.</p> <p>Mitigating action</p> <p>The intention is to be in a position, if later in the year WG offers access to ‘slippage’ funding, to apply to take up this funding and allocate additional funding to viable schemes this financial year.</p> <p>Key risks have been identified as follows;</p> <p><u>Delays to delivery and additional funding requirements</u></p> <p>There are some RSLs whom have received considerable sums of Grant money but have yet to commence building. This includes the following schemes; Northern Gateway (100 units), 66a Mold Road, Mynydd Isa (56 units) and New Inn, Station Road (8 units). WG has agreed to provide additional funding for two schemes, 66a Mold Road, Mynydd Isa, (56 units) and New Inn, Station Road (8 units). We are closely monitoring these schemes to ensure delivery of 64 units.</p> <p>We also anticipate that additional funding will also be required in relation to Northern Gateway.</p>

#### Mitigating action

The schemes are being closely monitored to ensure delivery.

- 66a Mold Road - Contractor is now on site undertaking enabling works. This Scheme has been allocated additional SHG funding of £3,562.887 in this financial year
- Northern Gateway – new contractor on site, Castle Green, enabling works expected to commence Autumn 2023.
- New Inn, Station Road – additional funding of £821,000 has been allocated in this financial year

#### Concentration of allocated funding to one RSL.

#### Mitigating action

We are closely monitoring this situation. Concerns have been aired with both the WG and the RSL. There is also an over subscription of alternative Schemes circa £24m if any of these Schemes should falter. In addition, we are encouraging Partners to put forward viable schemes for inclusion in the PDP.

#### Other identified risks

Utilising the Risk register we have identified that there are an additional 6 Schemes (pre construction) rated Red around 18% of Schemes. Of these four relate to RSL Schemes and two relate to FCC Schemes. RSL Schemes

Three RSL Schemes (Older Persons/Elderly care provision Buckley, LD bungalows Buckley and Well Street, Buckley) have been delayed due to the environmental impacts of phosphates on drainage systems.

#### Mitigating action

As part of the LDP adoption process, the Planning Strategy Team have already developed a Phosphate Mitigation Strategy in collaboration with Wrexham County Borough Council. Work by Welsh Water and Natural Resources Wales also continues in relation to a review of Waste Water Treatment Works and whether they have permits to treat phosphorous and are operating within those permits. NRW have recently confirmed permits for Mold and Buckley treatment works and will release their review for Hope works shortly, where the outcome has confirmed that headroom capacity exists at each works to treat further phosphorous from new development, thereby removing the need to mitigate for any phosphate impact.

Included in the four RSL schemes is (Northern Gateway) which has been delayed as the original Contractor went into Administration.

#### Mitigating action

New contractor now on site, Castle Green, enabling works expected to commence Autumn 2023.

#### Flintshire County Schemes

Two FCC Schemes (Canton Depot, Bagillt & High Steet, Connahs Quay (Old Music Shop) are impacted by the risk of flooding (Tan 15 designation flooding).

#### Mitigating action

We understand that Planning has spoken with consultants and indications are that further clarity on Tan15 will be received around Christmas time.

	We do not currently have any Schemes on the PDP where they are deemed to be unviable.
3.03	Cost of living pressures, the economic impacts of global shipping disruption and the impacts of the War in Ukraine are continuing to place significant cost and availability pressures placed on labour and materials.
3.04	Environmental impacts of phosphate on drainage systems. As part of the LDP adoption process, the Planning Strategy Team have already developed a Phosphate Mitigation Strategy in collaboration with Wrexham County Borough Council. Work by Welsh Water and Natural Resources Wales also continues in relation to a review of Waste Water Treatment Works and whether they have permits to treat phosphorous and are operating within those permits. NRW have recently confirmed permits for Mold and Buckley treatment works and will release their review for Hope works shortly, where the outcome has confirmed that headroom capacity exists at each works to treat further phosphorous from new development, thereby removing the need to mitigate for any phosphate impact.
3.05	There is a continued risk of increased demand on homeless prevention services as termination notices have risen. As of 31 <sup>st</sup> March 2023 there were 169 households accommodated in homeless accommodation in Flintshire compared to 55 households in February 2021. As a result of rising interest rates and the potential for rates to rise further or stay at this level for longer there is a potential risk of increased demand on homeless prevention services if repossessions start to grow which may also result in increased demand for social and affordable homes.
3.06	The ability to ensure that planned developments meet the standard viability models as required to access funding from the Welsh Government may be compromised.
3.07	The challenging economic situation and the additional costs of borrowing and servicing debt repayments may impact on RSL's ability to borrow.
3.08	Scheme viability may be impacted by rising costs.
3.09	Reduction in funding to LAs following more than a decade of austerity pre pandemic together with increases in pay and utility bills along with other existing and emerging cost pressures means Flintshire County Council is potentially facing a significant forecasted budget gap in 2023/24.
3.10	The private rented sector continues to be adversely affected by the Renting Homes Wales Act 2016 in addition to the above issues leading landlords to exit the market.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	<ul style="list-style-type: none"> <li>• Monthly FCC Development Team meetings</li> <li>• Quarterly meetings with Welsh Government and RSL colleagues</li> <li>• Quarterly and ad hoc meetings with individual RSLs</li> </ul>

	<ul style="list-style-type: none"> <li>• Consultation takes place with Members and site visits arranged when appropriate.</li> <li>• The report was presented to the Community, Housing and Assets Overview and Scrutiny Committee on the 13<sup>th</sup> September, 2023.</li> </ul>
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<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 - Housing Strategy Action Plan Progress Report 31 <sup>st</sup> March 2023.
5.02	Appendix 2 - Risk Matrix.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>Flintshire Housing Strategy &amp; Action Plan 2019 - 2024  <a href="https://www.flintshire.gov.uk/en/PDFFiles/Housing/Flintshire-Housing-Strategy-and-Action-plan-2019-2024.pdf">https://www.flintshire.gov.uk/en/PDFFiles/Housing/Flintshire-Housing-Strategy-and-Action-plan-2019-2024.pdf</a></p> <p>Local Development Plan – Flintshire  <a href="https://www.flintshire.gov.uk/en/Resident/Planning/Flintshire-Local-Development-Plan.aspx">https://www.flintshire.gov.uk/en/Resident/Planning/Flintshire-Local-Development-Plan.aspx</a></p> <p>Flintshire County Council Prospectus Local Authority prospectus</p>

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Marj Cooper, Housing Strategy Manager  <b>Telephone:</b> 01352 70 3721  <b>E-mail:</b> <a href="mailto:marj.cooper@flintshire.gov.uk">marj.cooper@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<p><b>Budget:</b> a statement expressing the Council’s policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p> <p><b>Financial Year:</b> the period of 12 months commencing on 1 April</p> <p><b>Single Access Route to Housing (SARTH) Policy</b> – the regional common policy for all major social landlords allocating social housing properties across Flintshire.</p> <p><b>Social Housing Grant</b> – Welsh Government funding that may be available to housing associations and developing Local Authorities. It is to help fund new affordable housing e.g. for social rent. To qualify for grant homes must comply with Welsh Government Development Quality Requirements (WDQR) and standard viability models.</p>

<p><b>Transitional Accommodation Capital Programme (TACP)</b> - Funding will be available to support Social Landlords on a range of schemes. In summary, the Programme will continue to fund voids and remodelling, demolition and newbuild, and conversion. These scheme types apply to LA/RSL existing stock. TACP will also support MMC, including for 'meanwhile use', acquisitions i.e. Existing Dwellings and Off the Shelf purchases as well as 'acquire to convert'. In some cases, TACP can support the acquisition of tenanted properties from Private Sector Landlords where the tenant will be made homeless.</p>
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