

# Public Document Pack

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Chief Officer (Governance)  
Prif Swyddog (Llywodraethu)



To: Cllr Ron Hampson (Chairman)

CS/NG

Councillors: Amanda Bragg, David Cox,  
Paul Cunningham, Peter Curtis, Ron Davies,  
Rosetta Dolphin, Ian Dunbar, Jim Falshaw,  
Alison Halford, George Hardcastle, Ray Hughes,  
Brian Lloyd, Mike Reece and Gareth Roberts

1 October 2015

Sharon Thomas 01352 702324  
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Dear Sir / Madam

A meeting of the **COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE** will be held in the **DELYN COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **WEDNESDAY, 7TH OCTOBER, 2015** at **10.00 AM** to consider the following items.

Yours faithfully

Peter Evans  
Democracy & Governance Manager

## **AGENDA**

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 3 - 10)  
To confirm as a correct record the minutes of the meeting held on 2 September 2015 (copy enclosed).
- 4 **NEW HOMES BUSINESS PLAN 2015/20** (Pages 11 - 30)  
Report of Chief Officer (Community and Enterprise) enclosed.
- 5 **WELFARE REFORM - PHASE II** (Pages 31 - 42)  
Report of Chief Officer (Community and Enterprise) enclosed.

6 **SARTH POLICY** (Pages 43 - 84)

Report of Chief Officer (Community and Enterprise) enclosed.

7 **FORWARD WORK PROGRAMME** (Pages 85 - 92)

Report of Housing and Learning Overview and Scrutiny Facilitator enclosed.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO  
CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC**

The following item is considered to be exempt by virtue of Paragraph(s) 13 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

The information describes disciplinary matters from which it would be possible to identify the individuals concerned and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

8 **COUNCIL HOUSE ALLOCATIONS SERVICE** (Pages 93 - 96)

Report of Chief Officer (Community and Enterprise) enclosed.

# Agenda Item 3

## **COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE** **2 SEPTEMBER 2015**

Minutes of the meeting of the Community and Enterprise Overview & Scrutiny Committee of Flintshire County Council held at Delyn Committee Room, County Hall, Mold on Wednesday, 2 September 2015

**PRESENT:**     **Ron Hampson (Chairman)**

Councillors: David Cox, Paul Cunningham, Peter Curtis, Ron Davies, Rosetta Dolphin, Ian Dunbar, Ray Hughes, Brian Lloyd, Mike Reece and Gareth Roberts

**SUBSTITUTE:** Councillor Marion Bateman (for George Hardcastle)

**APOLOGY:** Councillor Amanda Bragg

**ALSO PRESENT:** Councillors: Bernie Attridge, Haydn Bateman, Vicky Perfect and Tony Sharps

**CONTRIBUTORS:** Councillor Helen Brown, Cabinet Member for Housing; Councillor Derek Butler, Cabinet Member for Economic Development; Chief Officer (Community & Enterprise); Senior Manager, Council Housing; Revenues Manager and Community Support Services Manager

Income Team Leader and Income Officers (for minute number 19)  
Economic Development Manager (for minute number 21)

**IN ATTENDANCE:** Community and Enterprise Overview & Scrutiny Facilitator and Committee Officer

### **26. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

On Agenda Item 5: Arrears - Council Housing, Councillor Rosetta Dolphin gave a reminder that she had been granted dispensation to speak on matters relating to Flintshire payments at post offices.

### **27. MINUTES**

The minutes of the meeting held on 8 July 2015 were submitted.

#### **Matters Arising**

Minute number 11: Year End Chief Officer Performance Report and Year End Improvement Plan Monitoring Reports - following a query from Councillor Ian Dunbar on the Welsh Government Home Improvement Loan, Councillor Helen Brown confirmed that the information had been updated on the Council's website. The Chief Officer (Community & Enterprise) agreed to ascertain whether this had resulted in more enquiries and respond to the Committee.

#### **RESOLVED:**

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

## **28. HOUSING REVENUE ACCOUNT (HRA) AND SELF-FINANCING**

The Chief Officer introduced an update report on the final outcome of arrangements to introduce self-financing for the Housing Revenue Account (HRA) and the long-term strategic plans for stock improvement and development of new council homes. In detailing the background, she explained that negotiations between the UK Government, Welsh Government (WG) and the eleven stock-retaining councils to end the negative subsidy system had resulted in agreement on a borrowing cap and buy-out payment. The outcome of the self-financing arrangements meant that Flintshire's share of the buy-out settlement figure was £79.2m with a total borrowing cap on the HRA of £143.9m. Due to the drop in interest rates, WG had agreed an artificial rate which meant that the HRA share of the Council's total borrowing was lower than predicted at the budget-setting stage, creating an additional benefit of around £0.5m per annum to the HRA. Subject to the business plan proceeding as expected, there would be sufficient resources to meet the Welsh Housing Quality Standard (WHQS) by 2020 and to support the Council's new build programme, on which a detailed update would be brought to the next meeting.

The Senior Manager, Council Housing gave an overview of planned actions to mitigate the ongoing risk areas identified in the report, which would be subject to monitoring.

Councillor Rosetta Dolphin passed on tenants' concerns in relation to a particular contractor with whom complaints had been raised over their work. Whilst the Chief Officer felt that some complaints were inevitable given the scale of the work programme, she said that those raised to date had not been significant and would be resolved positively. She agreed to follow up the issues raised by Councillor Dolphin and on a similar matter by Councillor Peter Curtis.

Councillor Ian Dunbar thanked officers for the glossary of terms within the new report format and welcomed the introduction of self-financing which would benefit the Council over the longer term. In response to a query, the Chief Officer provided clarification on the terms of the self-financing agreement.

Concerning the WHQS, Councillor Marion Bateman asked whether tenants with long-term arrears would benefit from the programme of improvements at the same time as other tenants. The Senior Manager, Council Housing confirmed that the aim was for every property in the programme to receive upgrades, regardless of this.

The Chief Officer reminded the Committee that the approach - previously agreed with the support of the Cabinet Member - was to defer WHQS improvements where legal action was being taken on breaches of tenancies in respect of anti-social behaviour issues, including damage to property. If Members wished to extend this further to include tenants with long-term rent arrears, this could be considered along with any cost implications. She asked that Councillor Bateman liaise with her outside the meeting regarding a particular tenant in her ward.

Following a suggestion by the Facilitator, the Committee agreed to receive regular reports on the programme of savings/efficiencies as part of the HRA budget together with the ongoing risks identified in the report.

**RESOLVED:**

- (a) That the final outcome of the negotiations to introduce self-financing for the HRA to ensure that plans to deliver WHQS by 2020 can be achieved alongside commencement of a new build programme be noted.
- (b) That the Committee receive regular monitoring reports on the programme of efficiencies and the Risk Register.

**29. ARREARS - COUNCIL HOUSING**

The Chief Officer (Community & Enterprise) introduced an update on recent changes to the operational process and current levels of rent arrears compared with the previous year, together with proposed changes to manage the impact of welfare reforms. As set out in the report, she detailed the various improvements made to the rent recovery process to focus on debt management and help tenants to manage their rent payments. Despite the challenges of welfare reforms, the levels of income collected in Quarter 1 had exceeded that collected in Quarter 1 2014/15. Although there was an overall increase in rent arrears compared with 2014/15, the number of arrears cases owing under £1K had reduced as a result of the decision to target this particular group to prevent escalation, which meant that there were now 118 fewer tenants in rent arrears.

On the impact of welfare reforms, it was reported that 660 tenants were currently in arrears, partly as a consequence of the Bedroom Tax, however only a small number were choosing to move to a smaller property. Following the rollout of Universal Credit at all Flintshire Job Centres, an update would be brought to the October meeting of the Committee. The report also detailed the support available to tenants in line with the Council's increased responsibilities to prevent homelessness. The Chief Officer advised that the Council was managing overall to control rent arrears and to help individuals to manage their tenancies, however the outcome of legal action on eviction notices often resulted in the Court ruling in favour of small repayments over a long period. On paragraph 3.06 of the report, it was clarified that there had been six evictions during Quarter 1 of 2015/16.

The Committee was introduced to staff members from the Income Team, who gave examples of different cases where tenants' willingness to engage with the Council and accept the support available had resulted in actions taken to reduce their rent arrears. They also spoke about the challenges where the outcome of legal action reflected the sympathetic view taken by most Courts in recognition of an increased awareness of welfare reforms.

The Chief Officer referred to the proposed appointment of a dedicated Tenancy Support Officer within the Income Team who could work with tenants to help further reduce rent arrears.

An update on post office transactions was given by the Revenues Manager, who advised that a Member briefing would be issued on the

continuation of the post office contract until March 2016. This would enable more opportunity to help vulnerable tenants to explore alternative payment options such as direct debit before the deadline. It was noted that significant progress had already been made to reduce the number of post office transactions by 75%, with around half of the 500 tenants still processing payments at their post offices living near urban areas with access to Flintshire Connects centres. Officers would continue to work with tenants to encourage use of alternative payment arrangements before the deadline.

Councillor Peter Curtis relayed some tenants' concerns around charges for laundry services which were not required by everyone and the need for cleaning charges to reflect an appropriate quality service. The Chief Officer agreed that communal cleaning services needed improvement and reminded Members that currently service charges only applied to new tenancies, including those transferred from other Council properties. The outcome of consultation with existing tenants would be reported to the Committee in December 2015.

On rent arrears, Councillor Rosetta Dolphin felt that tenants who were unable to downsize due to the lack of smaller properties should be treated differently as it was not their intention to be in that position. She also felt that services charges should specify the frequency of those services to give assurance to paying tenants. In response to concerns about alternative payment methods for tenants in rural areas, the Revenues Manager gave assurances that the team continued to identify and work with individuals using post office transactions and that post offices were being asked to encourage individuals to switch to different methods of payment before the deadline. Councillor Dolphin asked that an update be received after three months to report progress including how many tenants paid late.

The Chief Officer spoke about the Council's agreed approach to avoid legal action against tenants with no history of rent arrears before the introduction of the Bedroom Tax. Where practical and possible, individual cases could be assessed for Discretionary Housing Payments as a temporary measure to help with arrears.

A suggestion was made by Councillor Gareth Roberts for local Member involvement to help encourage tenants to seek support on their rent arrears.

On the appendix to the report, Councillor Marion Bateman pointed out that of the 91 tenants with arrears of £2K-6K in 2014/15, only a small percentage were affected by the under-occupation charge. She went on to ask how many of the 91 were habitual non-payers, over what period was the rent owed and whether any had benefited from the Welsh Housing Quality Standard (WHQS) improvements. In noting that only two of the 91 paid by direct debit, she asked how many accounts had been written off. The Income Team Leader agreed to provide the information for the next meeting.

The Chief Officer reminded the Committee of previous discussion on the agreed approach to target tenants with lower level rent arrears to prevent accumulation, due to the length of time taken to recover larger debts. She acknowledged that there would always be some tenants with historic debts but

spoke about the frustrations in pursuing legal action, often with repeated attempts, together with the implications of the Council's duty on homelessness.

In response to Councillor Bateman's comments on the previous agenda item, Councillor Dolphin asked if consideration could be given to deferring WHQS improvements for tenants with long-standing rent arrears. Councillor Helen Brown agreed that this could be looked at.

Following a query by Councillor David Cox on exemptions to the Bedroom Tax where the tenant had a medical need, it was explained that each case was considered on its own merits for Housing Benefit.

Councillor Ron Davies welcomed the proposal for a dedicated Tenancy Support Officer. The Chief Officer suggested that the Committee may wish to review this arrangement after a year to assess the impact.

**RESOLVED:**

- (a) That the content of the report be noted;
- (b) That the establishment of a dedicated Tenancy Support Officer on a temporary basis within the Income Team be supported; and
- (c) That the Cabinet Member for Housing look into the suggestion for WHQS improvements to be delayed for tenants with long-term rent arrears.

**30. THE DEVELOPMENT OF A COMMUNITY BENEFIT TRAINING ACADEMY**

The Senior Manager, Council Housing introduced the report on the creation of a Community Benefit Training Academy (CBTA) as a vehicle to deliver jobs and training opportunities and community initiatives linked to externally procured services through the three investment programmes: Welsh Housing Quality Standard (WHQS), 21<sup>st</sup> Century Schools and the Strategic Housing and Regeneration Programme (SHARP). The approach to this new initiative of employing trainees/apprentices directly through the Council presented an opportunity for greater flexibility in allocating individuals to different workteams thus benefitting the Council and the individuals themselves in acquiring a range of skills. Members were asked to support the creation of a new post to manage and administer the function and services of the CBTA which would be monitored and reported back to the Committee.

The report was welcomed by Councillor Rosetta Dolphin who praised the benefits of the CBTA.

Councillor Derek Butler described this as a flagship initiative for Flintshire which would utilise the three investment streams to work towards achieving Welsh Government apprenticeship targets.

A suggestion was made by Councillor Mike Reece to engage with Housing Associations on the use of apprenticeships.

**RESOLVED:**

- (a) That the creation of the Community Benefit and Training Academy to manage the implementation of the community benefit commitments be supported; and
- (b) That the creation of a new position to manage and administer the function and services of the academy be supported. The lead officer will be supported initially through existing resource in terms of administration and support. These posts will be funded by a contribution from contractors, WHQS 21<sup>st</sup> Century Schools and SHARP programmes.

**31. QUARTER 1 – IMPROVEMENT PLAN MONITORING REPORT**

The Chief Officer introduced the report for the Committee to consider progress towards the delivery of the impacts set out in the 2015/16 Improvement Plan, focussing on the areas of under-performance relevant to the Committee during the first quarter of 2015/16.

A short presentation was given on each of the red (high level) risk areas under priority headings, highlighting work which had been undertaken to improve performance to meet the targets.

On the supply of affordable housing to meet community need, it was reported that an update on the Strategic Housing and Regeneration Programme (SHARP) would be brought to the October meeting.

Councillor Marion Bateman raised her ongoing concerns about a property which had been adapted for a particular member of that household who had since moved on. In referring to the costs of the adaptations, she explained that the remaining occupiers were unwilling to move on, which meant that the property could not be made available to someone else in need of the equipment. On the SHARP programme, she was aware that garage sites were being considered but asked if void properties with large gardens could also be looked at. The Chief Officer agreed that examples could be considered if brought to officers' attention.

In response to a query from Councillor Rosetta Dolphin about the development of extra care provision, the Chief Officer advised that options were being collated by Wales & West Housing on a range of sites identified, including Holywell.

On improving the local broadband infrastructure, Councillor Dolphin reported significant problems with broadband speed in areas away from towns, including the Deeside Industrial Park. It was reported that the contract between Welsh Government (WG) and British Telecom to rollout the Superfast Cymru programme was currently focussed on residential use rather than commercial. However, following representations made by Local Authorities and the Chair of the Deeside Forum, it was thought that WG would aim to give commercial properties a higher priority in the rollout across Wales.



**RESOLVED:**

That the report be noted.

**32. FORWARD WORK PROGRAMME**

The Facilitator introduced the current Forward Work Programme which had been populated following consultation with the Chairman and Chief Officer and included Regeneration items as reflected in the Committee's Terms of Reference.

Following comments from Councillor Mike Reece on the need to extend solid brick insulation work to other areas of the county, the Chief Officer explained that the criteria for energy efficiency funding applied only to certain areas. If no further funding was available, this would need to be addressed separately under the Welsh Housing Quality Standard programme.

Councillor Marion Bateman raised concerns about the new automated arrangements for incoming calls to the Council and asked about the level of priority given to option 4 in the call queue. The Chief Officer explained that various options were being piloted but that overall, calls were being answered faster than previously. In response to similar concerns raised by the Chairman, the Chief Officer agreed to provide an update to the Committee including information on training for the Member Services' team in dealing with calls previously dealt with by the switchboard.

Concerns were also shared by Councillor Ray Hughes on the loss of the switchboard, availability of officers and directing of calls to the correct department. Councillor Bateman spoke in support of these comments. The Chief Officer commented that this topic was under the remit of the Corporate Resources Overview & Scrutiny Committee.

**RESOLVED:**

That the Forward Work Programme be noted.

**33. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

There was one member of the press in attendance.

(The meeting started at 10.30 am and ended at 12.25 pm)

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**Chairman**

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## SCRUTINY MEETING

<b>Date of Meeting</b>	Wednesday 7 <sup>th</sup> October 2015
<b>Report Subject</b>	NEW Homes Business Plan 2015/20
<b>Portfolio Holder</b>	Cabinet Member for Housing
<b>Report Author</b>	Chief Officer Community and Enterprise
<b>Type of Report</b>	Strategic Planning

### EXECUTIVE SUMMARY

This report seeks Scrutiny consideration and assurance ahead of Cabinet consideration of the NEW Homes Business Plan 2015/20. The plan sets out key elements of the company's proposed growth plan to increase the number of properties managed and owned as affordable housing over the next five years.

The business plan has been approved by NEW Homes Board as a strategic planning document; subject to ongoing scheme by scheme final approval and validation of financial appraisals by the company's board and the council's cabinet. This includes any new homes to be developed via the SHARP programme, and any property acquired through borrowing against existing assets.

Twice yearly monitoring of NEW Homes progress against its business plan is undertaken by the Community and Enterprise scrutiny Committee.

### RECOMMENDATION

1.	Scrutiny Committee is asked to consider and provide assurance to Cabinet ahead of a recommendation to it to approve the NEW Homes Business Plan 2015/20
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## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE NEW HOMES BUSINESS PLAN</b>
1.01	<b><u>BACKGROUND</u></b>
1.02	North East Wales Homes, (NEW Homes) is a Housing company based in Flintshire and owned by Flintshire County Council. NEW Homes owns, leases and manages properties across Flintshire. The company was established to increase the quantity and quality of affordable housing available across the county; increasing housing choice for those who may not qualify for social housing but for whom market housing is unaffordable or difficult to access. In addition NEW Homes provides a professional service to landlords as a managing agent as a means to increase the supply of quality affordable housing.
1.03	In its first year of operation the company has generated a surplus of £18k. The draft business plan identifies ongoing annual surpluses and these will be held and returned to the council at agreed intervals for reinvestment in council priorities. The next two years expect similar surpluses to year 1 rising to £0.180m in year three following the growth of the SHARP development.
1.04	The Board of NEW Homes met in January 2015 to review the development of the company to date and progress against the original business plan objectives and targets. A range of ideas and plans emerged from this session and after further analysis and development work over a six month period this was developed into a revised business plan for NEW Homes.
1.05	This work has been supported by independent expertise and challenge; and after detailed consideration and risk analysis has been approved by NEW Homes board as an achievable, moderate plan for growth over the next five years.
1.06	As part of this process, the Board reviewed progress of the three main portfolio areas against the projections made in the original Business Plan.
1.07	<b>New build units transferred to NEW Homes under Section 106 Planning Agreement</b>
1.08	NEW Homes received 15 new build properties in 2014/15 from developers meeting their affordable housing provision obligations through Section 106 Agreements. These units were transferred into the company as unencumbered assets to be let as affordable housing and form a profitable element of the company's stock portfolio.
1.09	<b>Management Offer</b> NEW Homes manages and lets property on behalf of landlords who own

<p>1.10</p> <p>1.11</p>	<p>property, through a management agreement. The product enables the company to take on all the functions of the landlord in return for a one off £195 sign-up fee and a 10% of rental income monthly management fee which is subject to annual review. NEW Homes currently has 26 properties within its management portfolio.</p> <p>The relative costs of running this service, as compared to the company's other business activities and the level of competition that is being faced have raised questions about continued investment in this service. The company's experience of operating in this area is relatively short however and therefore it has been agreed that further analysis should be undertaken so that an informed decision on the future of this service can be made.</p> <p><b>Over 55 Lease Scheme</b></p> <p>The Over 55 Lease Scheme is the third portfolio area which enables an elderly home owner to lease their property to NEW Homes and access more suitable council accommodation. The development of this package has developed more slowly due to legal complexities initially and agreeing processes relating to the allocation of Flintshire Council properties. These are now resolved and there is an expectation that home owners will want to take advantage of this opportunity.</p>
<p>1.12</p> <p>1.13</p> <p>1.14</p>	<p><b><u>CONSIDERATIONS</u></b></p> <p>Proposals for the growth of the company has also considered the findings of the recent Flintshire and Wrexham Local Housing Market Assessment (LHMA) which has identified:</p> <ul style="list-style-type: none"> <li>• An <b>annual</b> shortfall of 246 affordable dwellings across Flintshire;</li> <li>• The suggested affordable housing tenure split for Flintshire identified by the assessment is for 56% social/affordable rent and 44% intermediate tenure.</li> <li>• The LHMA identifies a clear need for smaller two bedroom properties for under and over 65s;</li> <li>• Around one third of all households in Flintshire can afford an intermediate affordable house priced at £100,000 or less (or the equivalent total housing costs).</li> </ul> <p>Based on the key findings of the LHMA, it is clear that NEW Homes has an important play to play alongside the Council (through the SHARP programme) local housing associations and the private rented sector to address the identified housing need in Flintshire during future years. Through its strategic housing role, the Council will develop a robust delivery framework for different housing providers to work together across Flintshire which offer a number of different housing products and tenures which meet the housing needs and aspirations of local communities.</p> <p>There are three key elements of the company's proposed growth plan in terms of increasing the number of new, affordable units within NEW Homes</p>

1.15	housing portfolio. These are as follows:  <b>Strategic Housing And Regeneration Programme (SHARP)</b>																								
1.16	For the period February 2016 – December 2019 it is projected that 300 homes will be delivered to NEW Homes through Phase 1 of the SHARP.																								
1.17	<p>The NEW Homes Board approved in principle (subject to detailed final financial appraisals) the first proposed scheme on The Walks, Flint at its Board meeting on the 10<sup>th</sup> September 2015. This scheme will provide 50 new properties; 50 to be let at affordable rents and 10 available for Low-Cost Home ownership. The property mix will be as follows:</p> <table border="1" data-bbox="304 607 1294 1059"> <thead> <tr> <th></th> <th>Rent</th> <th>Low-Cost Home Ownership</th> </tr> <tr> <th>Property Type</th> <th>No.</th> <th></th> </tr> </thead> <tbody> <tr> <td>1 Bed Apartment</td> <td>5</td> <td></td> </tr> <tr> <td>2 Bed Apartment</td> <td>16</td> <td></td> </tr> <tr> <td>2 Bed House</td> <td>21</td> <td>5</td> </tr> <tr> <td>3 Bed House</td> <td>8</td> <td>5</td> </tr> <tr> <td>Sub Total</td> <td>50</td> <td>10</td> </tr> <tr> <td><b>Total</b></td> <td><b>60</b></td> <td></td> </tr> </tbody> </table>		Rent	Low-Cost Home Ownership	Property Type	No.		1 Bed Apartment	5		2 Bed Apartment	16		2 Bed House	21	5	3 Bed House	8	5	Sub Total	50	10	<b>Total</b>	<b>60</b>	
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1.18	<p>These homes are planned to be funded through 30 year leasing arrangements, which will see NEW Homes receive a management and maintenance fee, plus allowances for voids and bad debts, with the remaining income meeting leasing finance costs. A final report will be submitted to Cabinet in November (following NEW Homes board approval) seeking approval for the funding arrangements for the first homes to be developed as part of the SHARP programme. Current modelling makes very prudent assumptions about rental income and management and maintenance costs providing comfort that there is minimal risk in meeting leasing finance costs. At the end of the lease homes would revert to NEW Homes for a fee of £1 per property.</p>																								
1.19	<b>New build units transferred to NEW Homes under Section 106 Planning Agreement</b>																								
1.20	<p>A further 13 new build units are due to be transferred to NEW Homes during 2015/16 from 3 schemes across the county, with 3 final properties in 2016/17, providing a total of 31 homes.</p>																								
1.21	<p><b>Borrowing against existing assets</b></p> <p>NEW Homes aims to borrow against its existing assets to secure new affordable housing units. Initial plans included in the financial modelling will see NEW Homes acquire 8 properties to let at affordable rents. This is a prudent level of borrowing against assets owned, and early indications are that private markets would be interested in lending to NEW Homes for this</p>																								

1.22	purpose. Prior to commencement of this area of the company's growth plans detailed financial appraisals will be approved by the NEW Homes board and the council's cabinet.
1.23	<p><b>Management Offer</b></p> <p>The company will continue to grow slowly through the management of homes owned by private landlords.</p> <p>The business plan is attached to this report as Appendix A.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
	<b>Private Borrowing</b>
2.01	NEW Homes is exploring the opportunities available to borrow. This could be from the private market directly, either through borrowing secured against its own housing stock or through unsecured borrowing, with the Council potentially acting as a guarantor. Research has commenced and the company has taken advice from Warrington Borough Council which has been funding housing development for some time. It is possible that the Council may be able to follow Warrington's example and lend to NEW Homes, at the same time creating a return for the Council and a boost to the local economy whilst also providing NEW Homes with the capacity to grow and meet local need.
2.02	In terms of the affordable housing delivered through the SHARP, the leaseback model of funding has been identified as the most suitable private financing model available to the Council. As outlined in the Cabinet report of September 2014, within this model the Council provide the land for development; the developer then builds the units and leases these back to the Council. The units then revert back to the Council at the end of the lease period for a nominal sum.
2.03	NEW Homes will seek independent financial and legal advice prior to approval of new developments to be delivered as part of the SHARP programme and prior to undertaking any borrowing against existing assets. The council has already procured independent legal and financial advice to support delivery of the SHARP programme. The council's legal and financial teams will consider each development individually prior to recommendation to cabinet for approval. In addition as a wholly owned subsidiary of the council, the council's treasury team will consider any accounting and/or financial impact and risk for the council for any new developments.
2.04	NEW Homes does not currently directly employ staff to undertake its key business activities, and delivers its services through an agreement with Flintshire County Council or by using external providers. A new proposed management and staffing structure is projected to be in place by 30th November 2015 which will continue to be provided by Flintshire County Council and recharged to NEW Homes.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	On-going community consultation has been undertaken during the inception of the vision for The Walks scheme in Flint, with the latest event being held in St Mary's Church on the 9 <sup>th</sup> October 2015.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The SHARP is underpinned by a Risk Register which is regularly reviewed at two-weekly SHARP Project Team meetings. These are also reported to the SHARP Project Partnership Board and Housing Revenue Account Programme (HRA Programme Board).
4.02	In respect of funding solutions for affordable homes to rent, the most accessible (and cost effective) options are obtained by a Council provision of a repayment guarantee (in much the same way as if the Council financed through public finance routes i.e. prudential borrowing): repayments would be funded from rental incomes. The funding model for each scheme makes prudent allowances for vacant units and bad debt to ensure that there is sufficient headroom within the funding model to minimise the potential of any shortfall of income over expenditure; therefore providing a high level of assurance that arrangements will be self-financing from rental incomes.
4.03	In order to ensure both the Council and NEW Homes realise value for money for both the scheme build costs and the proposed funding option adopted will be independently verified by a Cost Consultant.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A - NEW Homes Business Plan and Growth Strategy 2015/20.
<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.  <b>Contact Officer:</b> Clare Budden Chief Officer (Community & Enterprise) <b>Telephone:</b> 01352 703800 <b>E-mail:</b> clare.budden@flintshire.gov.uk

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>NEW Homes-</b> wholly owned company of the council <b>SHARP-</b> The council's Strategic Housing and Regeneration Programme



# North East Wales Homes

## Business Plan 2015/20



Working in partnership with Flintshire County Council

## **North East Wales Homes Business Plan**

### **Company Summary**

North East Wales Homes, (NEW Homes) is a Housing company based in Flintshire and owned by Flintshire County Council. NEW Homes will own, lease and manage properties across Flintshire. The aim is to increase the quantity and quality of affordable housing to those in housing need and providing a professional service to landlords as one of the means of supplying additional capacity.

NEW Homes will offer tenants quality affordable homes in the private sector and a sustainable managed tenancy.

NEW Homes will offer a range of services for landlords and the individual package will be dependent on the property and the requirements of the landlord.

Additionally as part of NEW Homes growth strategy the company will be developing and acquiring new homes to let.

### **Company Ownership**

NEW Homes has been set up as a company limited by shares with unlimited powers. The Council is the sole shareholder.

The board is currently made up of 8 directors consisting of 5 councillors, 1 council officer and 2 people who are neither a member (as councillors or co-opted members) nor officers, but who have experience in the housing field. All have equal voting rights.

The board can have up to 9 directors made up of up to 5 councillors, up to 1 council officer and up to 3 other directors who are not councillors or council officers. The board is keen for an appropriate range of skills to be present on the board and in the team of officers which supports the business. As such, it will seek to maintain a balance of skills which meet the range and diversity of the business that is outlined in this business plan.

### **Our Corporate Objectives**

NEW Homes has established the following Corporate Objectives:

- To increase the range of housing options for the “squeezed middle” housing market.
- To provide a competitive offer to landlords to encourage growth of the private rented sector.
- To use the income derived from Company assets and activity to help support the affordable offer to tenants.
- To build an asset base to enable a long term vision of building future affordable homes.
- To stay true to the commitment to increase access to affordable housing.
- To provide a professional service with financial stability for NEW homes.

## Growth Strategy

The board of NEW Homes met in January 2015 to develop forward plans for growth of the company. A range of ideas and plans emerged from this session and after further analysis and development work this was developed into NEW Homes' Growth Strategy.

There are three key elements of the Council's proposed Growth Strategy in terms of increasing the number of new, affordable units within NEW Homes housing portfolio. These are as follows:

### Strategic Housing And Regeneration Programme (SHARP)

For the period January 2016 – December 2019 it is projected that 300 units will be delivered to NEW Homes through Phase 1 of the SHARP. In respect of funding solutions for affordable homes to rent, the most accessible options are long term leasing, obtained by a Council provision of a repayment guarantee. Repayments would be funded from rental incomes with the Council making up any shortfall. Our cost models make robust allowances to make sure that there is sufficient headroom within the funding model to minimise this potential, therefore providing a high level of assurance that arrangements will be self-financing from rental incomes).

### New build units transferred to NEW Homes under Section 106 Planning Agreement

NEW Homes received 15 new build properties in 2014/15 from developers meeting their affordable housing provision obligations through Section 106 Agreements. These units were transferred into the company as unencumbered assets to be let as affordable housing and form a profitable element of the company's stock portfolio. The table below describes the pipeline of future agreed 16 properties.

Location	Developer	Housetype	Original Projected Transfer Date
St Mary's Drive, Northop Hall	Anwyl	2 x 3 Bed Houses	July 2015
St Mary's Drive, Northop Hall	Anwyl	3 x 2 Bed Houses	February 2016
Overleigh Drive, Hawarden	Redrow	2 x 3 Bed Houses	August 2015
Overleigh Drive, Hawarden	Redrow	1 x 3 Bed Houses 1 x 2 Bed House	December 2015
High Street, Saltney	Edwards Homes	4 x 2 Bed Houses	March 2016
Cymau Lane, Abermorddu	Anwyl	3 X 2 Bed Houses	N/A
<b>Total</b>		<b>16</b>	

## **Mortgaged Units**

NEW Homes will borrow against its assets to secure new affordable housing units. Initial plans included in our financial modelling will see NEW Homes acquire 8 affordable housing units.

In the Medium Term, the company will be offering new build affordable rental products, new build shared equity products for particular new build schemes and first time buyer loans. These will be properties delivered as part of the Councils Affordable Housing requirements. NEW homes also plans to enter into leases to manage new homes developed to meet local need and longer term, to develop new homes itself.

## **Private Borrowing**

We are working to explore the opportunities available for NEW Homes to borrow. This could be from the private market directly, either through borrowing secured against its own housing stock or through unsecured borrowing, with the Council potentially acting as a guarantor. We have commenced research into this prospect and have taken advice from Warrington Borough Council which has been funding housing associations for some time. It is possible that the Council may be able to follow Warrington's example and lend to NEW Homes, at the same time creating a return for the Council and a boost to the local economy whilst also providing NEW Homes with the capacity to grow and meet local need.

It is projected that 8 properties will be realised through private borrowing during 2015/16 and 2016/17.

## **Current Product Portfolio**

NEW Homes currently provides the following products:

### **Newbuild properties**

The Council has a small number of properties that have been 'gifted' as part of S106 obligations. These will be transferred into the company as unencumbered assets to be let as affordable housing and will form the company's initial stock portfolio. The company intends to use these assets as collateral for borrowing to acquire new affordable housing units.

### **Landlord products**

The private rented sector is increasingly becoming the tenure of choice for those unable to access mortgage finance. Research suggests there are a number of investors happy to invest in property, but not keen to take on management responsibilities.

Utilising the experience and expertise of the Council as a trusted provider in this regard, NEW Homes manages and lets property on behalf of a landlord who owns property through a management agreement. The product enables the company to take on all the functions of the landlord in return for a one off £195 sign-up fee and a 10% of rental income monthly management fee which is subject to annual review.

The relative costs of running this service, as compared to the company's other business activities and the level of competition that is being faced have raised questions about continued investment in this service. The company's experience of operating in this area is relatively short however and therefore it has been agreed that further analysis should be undertaken so that an informed decision on the future of this service can be made.

Other products being explored include the **Tenant find Service** which will see New Homes will offer a flat fee of £250 to find a tenant for the landlord and do all relevant checks. The 2015/16 plan assumes ten customers per year taking up this service. Additionally, the company will offer a **Tenant find and rent collection service** which will see NEW Homes offering a service which includes a flat fee of £250 as above and also a 3% rent collection charge per month which includes collecting rent and deposits on behalf of the landlord and chasing non-payment. The plan anticipates growth to 21 units by year 5. These products should enable the managed lettings offer to become more self-sustainable as they are low cost to administer.

All of these matters will be reviewed in the early part of 2016, taking full account of actual performance, with a view to assisting the board to make a decision regarding the effectiveness of these services and the future investment in these.

### **Over 55's Housing Choice**

NEW Homes also offers a unique opportunity for home owners over 55 to lease their properties to the company, who will fully manage the property and guarantee the rental income for a fixed 25% of rental income monthly fee and also points to enable access to suitable council accommodation at the same priority as someone who does not own a property.

NEW Homes has developed this particular offer as it recognises the barriers home owners can face accessing suitable council accommodation designated for older people as they receive insufficient priority on the Councils waiting list, as they own an asset. These properties are available within the Council stock and can provide a home which is easier to manage, can meet mobility issues and can combat social isolation.

NEW Homes recognises the demand in the county for homes for let at affordable rents and will be able to add these properties to the leasing portfolio.

As with the services discussed in the previous section the company will continue to review progress with these services, with a view to determining the extent of future investment in the services.

### **Marketing Strategy**

Once the company is confident it has the right product mix and business operations are working effectively, NEW Homes will launch a marketing campaign via a website, local advertising and social media. Other methods will include:

- Van advertising – Negotiation are in place with the Council to design an advert to be put on some of the Councils van stock.
- Pop ups – New pop up displays to draw business in and place at the planning entrance in County Hall.

- Inside Flintshire magazine – A quote has been obtained for a full page A5 advert for 6 months. The magazine reaches approximately 10,000 people a month in the County.

In addition to these activities, NEW Homes will be working closely with Wates Living Space (who have been awarded the SHARP contract) on marketing initiatives.

### Management Arrangements

NEW Homes does not currently directly employ staff to undertake its key business activities, and delivers its services through an agreement with Flintshire County Council or external providers. A new proposed management and staffing structure is projected to be in place by 30th November 2015 which will continue to be provided by Flintshire County Council and recharged to NEW Homes.

- Service Manager - with overall strategic and operational management responsibility will report directly to NEW Homes Board of Directors. The role will involve implementing the agreed Business Plan and developing new business opportunities for NEW Homes.
- Lettings Officer - will provide the customer facing service and will co-ordinate all internal and external affordable housing management activities in line with agreed NEW Homes policies and procedures. These services will be provided for an agreed rate based on staff time.
- Company Secretary - this role is performed by a solicitor from the Council's Legal Team who provides legal advice and support to NEW Homes.
- Administrative Support - this post will provide day to day administrative support to NEW Homes;
- Cyclical and minor repairs - these will be undertaken by the Council's Building Maintenance and Repairs Service for an agreed price under the terms of a Service Level Agreement which is reviewed annually;
- Financial Accounting: The Council's Finance Team will provide these services for an agreed rate based on staff time prior to these services being provided.

### Staffing Resources

Based on the units of stock and the work that is envisaged in the Growth Strategy our business plan projections have assumed the following for staffing resources:

<b>NEW HOMES Proposed Staffing Requirements for Budgetary purposes 2015/16</b>				
Lettings Officer	Housing Administration Support	Financial and Performance Lead	Company Secretary and NEW Homes solicitor	Operational Lead
FT – but could costs potentially be shared with Private Rented Team	Shared post with FCC / SHARP Housing Strategy	Shared post with FCC Finance Team – 2 days p.w.	Shared post with FCC Legal Team 2 days per month.	Shared Post with FCC Strategic Housing And Regeneration Programme (SHARP)

50/50% split of employment costs	60/40% split of employment costs	60% FCC / 40% NEW Homes split of employment costs	95% FCC / 5% NEW Homes split of employment costs	80% FCC / 20% NEW Homes split of employment costs
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Any other support provided from within the Council will be recharged at an agreed rate based on staff time prior to these services being provided. QS services will be provided by Flintshire's Design and Consultancy Team on a scheme by scheme basis.

The board is keen for an appropriate range of skills to be present on the board and in the team of officers which supports the business. In securing and maintaining the right balance of skills to meet the range and diversity of the business that is outlined in this business plan the company will utilise skills assessments from time to time.

All of the above proposed charges have all been included in the draft budget.

### Financial Plan

The 30 year business plan sets out the financial growth strategy over the coming years. The first five years are based on detailed assumptions and future years are then inflated based on the first 5 years.

#### Key assumptions

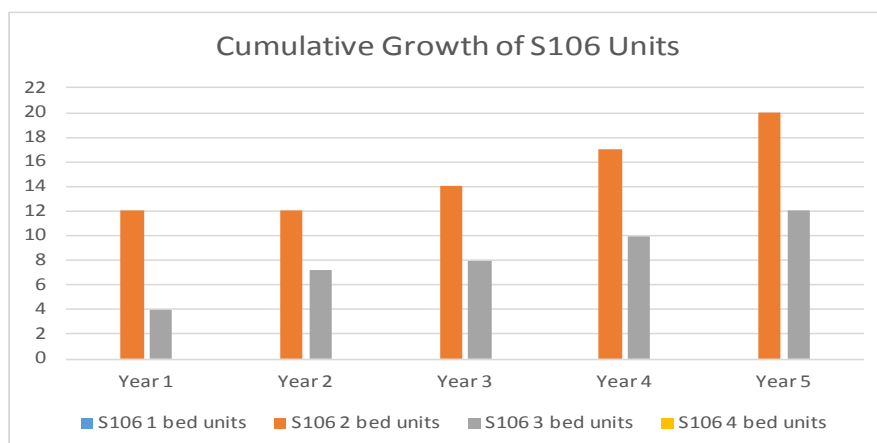
##### Landlord Products

Rent levels have previously been set at slightly higher than LHA but that will increase for this coming year to 90% of market value. The business plan assumes inflation as CPI @ 2%.

##### Section 106 Units

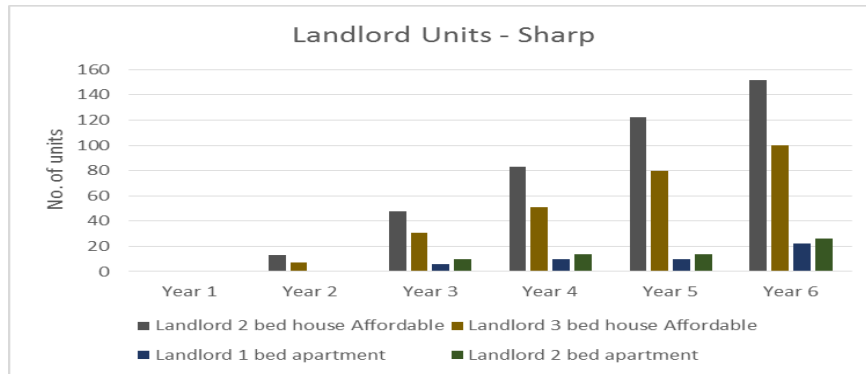
Rent levels will be set at 90% of market value for all future S106 properties. Market value will be set by an independent letting agent when property valuations take place.

The growth assumed in the plan is shown below:



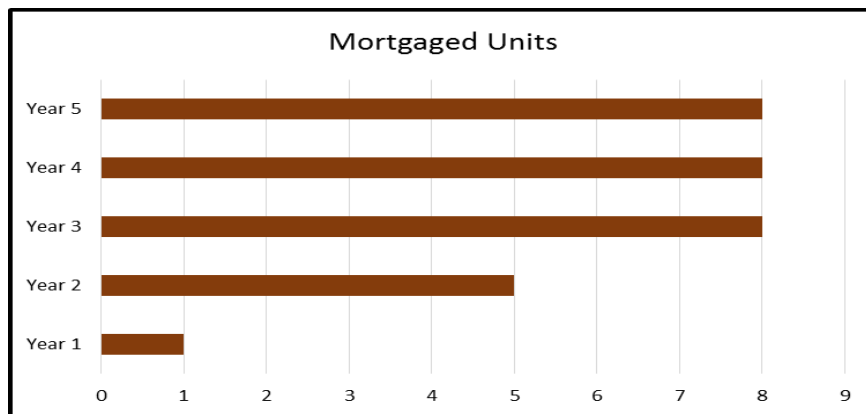
### SHARP Units

The Sharp programme anticipates a range of units as shown below from year 2 of the plan. The plan expects 65 units by the end of year 2 rising to 300 units by year 6.



### Mortgaged Units

The plan includes the purchase of existing build units as investment properties. These units will be financed via a loan which potentially will be secured against the S106 units. The table below shows that the 30 year plan assumes 1 unit in 2015/16, growing to 8 units in year 3:



### Managed Lettings Units

The plan reflects steady growth in the budget and forecasts a further 10 managed lettings by the end of 2015/16, followed by a further 5 in 2016/17. This will take NEW Homes to 25 units year on year in the plan. The plan assumes a range of products for our customers including:-

- Full managed offer
- Tenant Find
- Tenant Find and Rent collection
- Over 55's Housing choice

All of these products are included with in the plan, but these will be reviewed in the early part of 2016, taking full account of actual performance, with a view to assisting the board to make a decision regarding the effectiveness of these services and the future investment in these.

### Over 55's Housing Choice

The over 55's housing choice is an offer which is hard to forecast and due to this and the low growth seen in 2014/15 we are not assuming any new units in 2015/16. If a



home owner decides to go ahead with the scheme, it is dependent on the availability of Council sheltered property in the area they choose, this is sometimes restricted by availability of stock particularly in high demand areas. Whilst this offer is one which NEW Homes would like to remain in their portfolio of products it is also one which is likely to have low take-up.

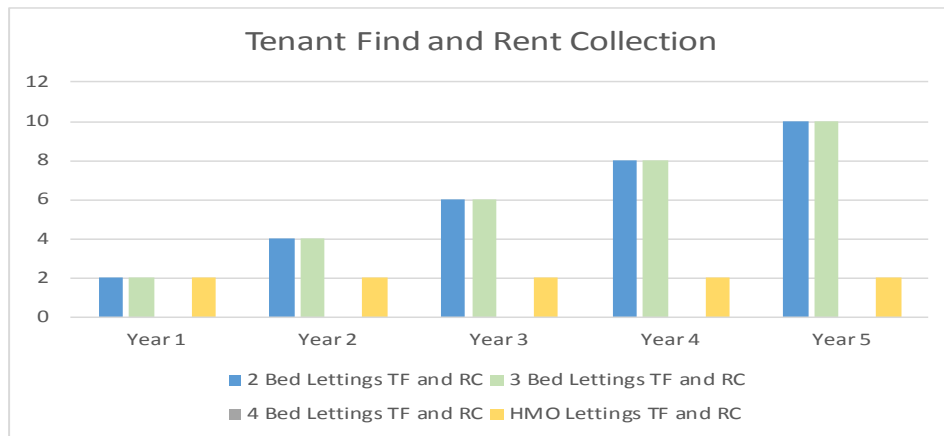
**Tenant find Service**

New Homes will offer a flat fee of £250 to find a tenant for the landlord and do all relevant checks. The 2015/16 plan assumes 10 customers per year taking up this service.

**Tenant find and rent collection service**

This service includes a flat fee of £250 as above and also a 3% rent collection charge per month which includes collecting rent and deposits on behalf of the landlord and chasing non-payment.

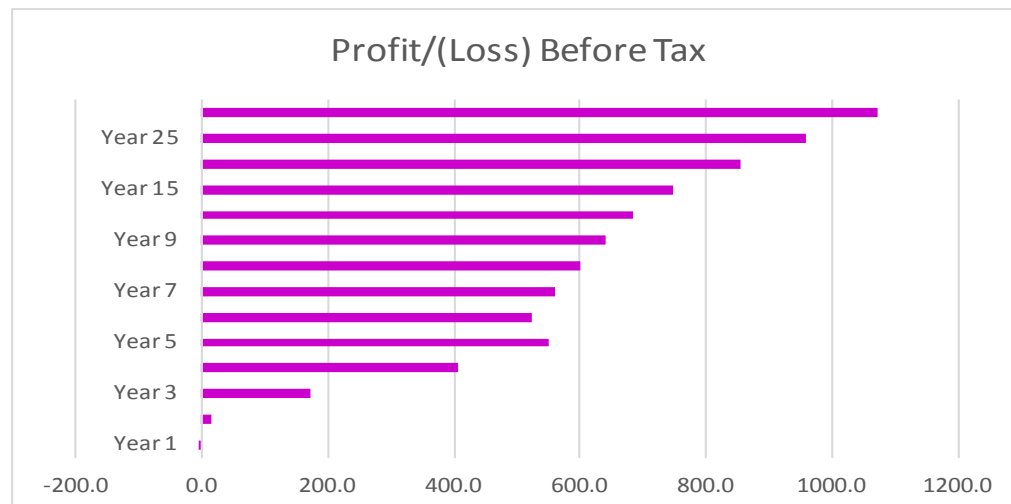
The plan anticipates growth to 21 units by year 5. These products should enable the managed lettings offer to become more self-sustainable as they are low cost to administer.



**30 year financial projections**

The 2015/16 budget projects profits from the start of the plan generating healthy profits year on year.

The chart below illustrates the forward projections for surpluses:



## **Income assumptions**

### **Rental income**

Rental income is assumed at 90% of market and inflated for all landlord units at CPI @ 2%.

### **General income**

General income assumptions are as follows:

- Full managed offer is assumed at 10% plus a £195 fee
- Tenant find assumes a £250 flat fee
- Tenant find and rent collection assumed at £250 plus 3%
- Over 55's housing choice assumes a 25% guaranteed rent.

### **Void rent loss**

Void rent loss is assumed as follows:

- 1.5% of rental income for S106 units
- 1.84% of rental income for sharp units

## **Direct cost Assumptions**

### **Bad Debt Provision**

- 1.0% of rental income for S106 units
- 2.0% of rental income for sharp units

### **Responsive and Void Repairs**

- £200 per unit for S106 and mortgaged units
- £250 per unit for SHARP units

### **Cyclical Repairs**

- £200 per unit for S106 and mortgaged units
- £250 per unit for SHARP units

### **Major Repair Provision**

A provision per unit is made for life cycle replacement costs of capital works in our landlord units. These include boiler replacement, kitchen replacement etc. The assumptions are shown below:

#### **Years 1-5**

- £350 in all landlord units

#### **Years 6 onwards**

- £750 for S106 and mortgaged units
- £980 for SHARP units

### **Indirect Costs (Overheads)**

Indirect costs have been included as follows:

#### **Pay costs**

£54.1k pay costs. Staff recharges from Flintshire County Council based on the time and salary scale in the table above.

#### **I.T costs**

£2.3k I.T costs for Wifi, support for Landlord Manager and hosting of Sage Financials.

**Subscriptions**

£1.3k subscription costs. Membership of UKALA costing £650pa and the RLA costing £125pa and housing Cymru costs.

**Consultancy**

£33.5k - £3.5k general, £5k legal, £25k Design & Consultancy

**Legal and year end finance**

£2.0k on legal and year end finance costs. Sage Accountants in St Asaph will be completing the year end accounts. An audit on client monies is also a legal requirement.

**Bank/Loan charges**

£0.5k Bank and loan charges. The free banking agreement ends in May 2015. NEW homes will be transferred on to an e-payments account at a cost £6.50 per month, but daily internet payments and transactions, which are the majority of our transactions, are then free of charge. The FCC loan repayment is £233 per year for a 3 year period at 1.83% interest rate.

**Marketing**

£2.6k Van advertising costs are estimated at £500 p.m for 3 months which would include adverts on 20% of Flintshires Van stock.

Creation of new pop ups will require further art work and product printing estimated at £600.

Inside Flintshire magazine advert based on a full page A5 advert at a cost of £120 per month for 6 months.

**Cash Flow**

The loan from Flintshire County Council was paid over to NEW Homes in August 2014 in the amount of £25k. There is an agreement in place to repay this over 3 years at half yearly instalments at an interest rate of 1.83%, which amounts to £801 in total.

**Financing Costs**

The SHARP units are financed within the plan via a 30 year leaseback arrangement whereas the units convert to us in year 30 for £1. The rate is based on 4.1% over the term increasing by CPI @ 2%.

**Mortgage Costs**

The mortgage units are proposed to be financed within the plan via a secured or unsecured loan. The rate assumed is based on a purchase price per unit of £125k and a rate of 2% above CPI rising over three years to 4% over CPI. This is based on a 30 year loan.

**Depreciation**

We are still working through the mechanics of depreciation with our accountants however for the purposes of the plan the following assumptions have been made.

S106 units are investment units and are not depreciated but are revalued every couple of years, any revaluation will be required to be taken to the profit and loss in the year of revaluation.

Leaseback units are depreciated as a 'wasting asset' over thirty years (the life of the lease) and then reintroduced on the balance sheet in year 30 as an asset (as per the S106 units). Revaluation applies.

Mortgage Units are depreciated either over the life of the loan or 50 years. For the purposes of the plan they have been depreciated over 50 years. Revaluation applies.

All capital repairs are taken straight to the profit and loss as revenue.

## 5yr Balance Sheet

### NEW Homes Balance Sheet Forecasts

	£'000	£'000	£'000	£'000	£'000
Balance Sheet Forecast	Year 1	Year 2	Year 3	Year 4	Year 5
<b>HOUSING ASSETS</b>					
Housing Properties at cost	250.0	1,000.0	1,000.0	1,000.0	1,000.0
Property Leases	0.0	1,799.8	8,549.0	14,218.3	20,337.5
Social Housing Grants					
Other Capital Grants					
Depreciation Housing Properties cumulative	-5.0	-85.0	-390.0	-789.4	-1,385.3
<b>Net Book Value Of Housing Properties</b>	<b>245.0</b>	<b>2,714.8</b>	<b>9,159.0</b>	<b>14,428.9</b>	<b>19,952.2</b>
Other Fixed Assets Tangible					
Other Fixed Assets Intangible					
Other Fixed Assets Investments					
Homebuy Loan					
Homebuy Grant					
<b>Total Fixed Assets</b>	<b>245.0</b>	<b>2,714.8</b>	<b>9,159.0</b>	<b>14,428.9</b>	<b>19,952.2</b>
<b>Current Assets</b>					
Bank	17.1	112.0	589.0	1,362.2	2,430.9
Bad Debt Write Off	0.0	0.0	0.0	0.0	0.0
<b>Total Current Assets</b>	<b>17.1</b>	<b>112.0</b>	<b>589.0</b>	<b>1,362.2</b>	<b>2,430.9</b>
<b>Current Liabilities</b>					
Corporation Tax	0.0	-1.9	-32.1	-76.8	-103.7
<b>Total Current Liabilities</b>	<b>0.0</b>	<b>-1.9</b>	<b>-32.1</b>	<b>-76.8</b>	<b>-103.7</b>
<b>Net Current Assets Excl Pension</b>	<b>17.1</b>	<b>110.1</b>	<b>556.9</b>	<b>1,285.4</b>	<b>2,327.3</b>
Pension Asset Total					
Net Current Assets Incl Pension					
<b>Total Assets Less Current Liabilities</b>	<b>262.1</b>	<b>2,824.9</b>	<b>9,715.9</b>	<b>15,714.2</b>	<b>22,279.4</b>
<b>DEFERRED LIABILITIES</b>					
Outstanding Loan Balance	-250.0	-1,000.0	-1,000.0	-1,000.0	-1,000.0
Other Long Term Creditors	0.0	-1,799.8	-8,549.0	-14,218.3	-20,337.5
<b>NET ASSETS</b>	<b>12.1</b>	<b>25.1</b>	<b>166.9</b>	<b>495.9</b>	<b>941.9</b>
<b>Share Capital and Reserves</b>					
Retained Surplus	12.1	25.1	166.9	495.9	941.9
<b>Total Reserves</b>	<b>12.1</b>	<b>25.1</b>	<b>166.9</b>	<b>495.9</b>	<b>941.9</b>

## 5yr P&L

### NEW Homes 5 Year Profit and Loss Forecast

All Units	Year 1	Year 2	Year 3	Year 4	Year 5
	£'000	£'000	£'000	£'000	£'000
<b>Income From Lettings</b>					
Rent Receivable	100.2	268.9	774.4	1,207.4	1,707.7
Management fee Income	14.4	19.2	21.5	23.0	24.0
Sign up Income	2.3	1.7	0.3	0.0	0.0
Voids rent loss	1.0	3.7	12.5	20.2	29.1
<b>Net Rental Income</b>	<b>116.0</b>	<b>286.1</b>	<b>783.8</b>	<b>1,210.3</b>	<b>1,702.6</b>
<b>Operating Costs</b>					
Sign up costs	0.2	0.2	0.1	0.1	0.1
Responsive & Void repair costs	3.3	9.7	30.7	48.8	69.3
Cyclical costs	0.8	6.3	26.2	43.6	63.2
General Management Costs	97.2	107.3	117.5	123.6	167.7
Bad Debt Provision	1.0	3.9	13.4	21.8	31.4
Major Repairs costs	0.0	0.0	0.0	11.3	12.6
Depreciation charges	5.0	80.0	305.0	399.5	595.9
<b>Total Operating Costs</b>	<b>107.5</b>	<b>207.3</b>	<b>492.9</b>	<b>648.6</b>	<b>940.2</b>
Lease Interest Payable	0.0	13.8	67.0	95.8	152.8
Mortgage Interest Payable	10.0	50.0	50.0	60.0	60.0
<b>Profit/(Loss) Before Tax</b>	<b>(1.6)</b>	<b>15.0</b>	<b>173.9</b>	<b>405.8</b>	<b>549.6</b>
Corporation Tax	0.0	(1.9)	(32.1)	(76.8)	(103.7)
<b>Profit/(Loss) After Tax</b>	<b>(1.6)</b>	<b>13.0</b>	<b>141.8</b>	<b>329.0</b>	<b>446.0</b>
<b>Cumulative Retained Surplus</b>	<b>12.1</b>	<b>25.1</b>	<b>166.9</b>	<b>495.9</b>	<b>941.9</b>



## COMMUNITY & ENTERPRISE OVERVIEW & SCRUTINY MEETING

<b>Date of Meeting</b>	07 October 2015
<b>Report Subject</b>	Welfare Reform – Phase II
<b>Portfolio Holder</b>	Councillor Helen Brown
<b>Report By</b>	Chief Officer (Community and Enterprise)
<b>Strategic / Operational</b>	Operational

### EXECUTIVE SUMMARY

The United Kingdom Government is committed to continue with its programme of austerity measures, which include reducing public expenditure through further reforms of the social security system. The changes to welfare benefits, introduced by the Welfare Reform Act 2012, have already reduced expenditure on working-age benefits by around £19 billion pa.

The next phase of welfare reforms that start to be implemented from April 2016 will also focus upon reducing expenditure on working age benefits. The aim is to reduce expenditure by £8 billion in 2017/18, with a further £4 billion reduction by 2018/19. The specific details of how the reforms will attain this level of savings were announced in the Summer Budget 2015 and the legislation needed to implement some of the reforms contained within the Welfare Reform and Work Bill that was introduced before Parliament in July 2015.

Since 2013, the consequences from the reform of the social security system have been felt across many of Flintshire communities. However, some groups have been harder hit than others, for example, lower income households containing children, particularly households who hold a social housing tenancy. This trend is set to be continued by the next phase of the welfare reforms. For example, the significant reduction of the benefit cap ceiling, from £26,000pa to £20,000pa, will bring an increase in the number of out-of-work households, containing three or more children, facing a reduction in their household income. However, the reforms will also generate an increased impact upon lower income working households as a result of the changes to in-work benefits, such as Universal Credit and Tax Credits.

The report provides a summary of the changes to be introduced to social security benefits, which will be applied over the next three years and, where information is available, the probable impact the reforms will generate.

## Recommendations

(a)	That the Overview and Scrutiny Committee note the report and continue to offer support to the ongoing work that is being undertaken by the Council, together with its partners, to mitigate the full impact of the present, and future welfare reforms from falling upon Flintshire's most vulnerable households.
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## REPORT DETAILS

<b>1.00</b>	<b><u>EXPLAINING THE WELFARE REFORM PHASE II</u></b>
1.01	The next phase of the reform of the social security system start to be introduced from April 2016 and it is projected that it will take three years for the reforms to be fully implemented. The information provided below gives an overview of the reforms. However, as the Welfare Reform and Work Bill 2015 progresses through the parliamentary legislative process there may be amendments to some of the reforms.
1.02	<b><u>Freeze on Uprating Of Social Security Benefits and Tax Credits – from April 2016</u></b>
1.02.1	The current social security legislation requires the Secretary of State for the Department for Work and Pensions to review the payment rates of welfare benefits and Tax Credits, in each tax year, to determine if they have retained their value in relation to 'the general level of prices' and, uprate the payment rates as appropriate.
1.02.2	However, it is proposed that this legislation is amended and from April 2016, the majority of 'working age' social security benefits and Tax Credits will be frozen at their 2015/16 payment rates for a period of four tax years. (For information, since 2012 there has been below inflation uprating of working age benefits and, according to the Bevan Foundation <sup>1</sup> , this means that the value of working age benefits will fall by 8% between 2012 and 2020.)
1.02.3	Social security benefits and Tax Credits, which are related to ill health or disability, i.e., Personal Independence Payment, and pensioner benefits are excluded from the freeze and will continue to be uprated on an annual basis.
1.02.4	The freeze on the uprating of welfare benefits/tax credits is projected <sup>2</sup> to save £3.9 billion a year and will affect 13 million households. In Flintshire around 15% of working age households (just under 6,000 households) receive social security benefits or Tax Credits which will be subject to the freeze, with these households losing an average of £260 a year.

<sup>1</sup> Summer Budget 2105: What it means for Wales – Bevan Foundation - July 2015

<sup>2</sup> An analysis of the Summer Budget 2015 – Institute for Fiscal Studies – July 2015



1.03	<b><u>Benefit Cap Ceiling Reduced – implementation to be confirmed – expected in the 2015/16 tax year</u></b>
1.03.1	The benefit cap was introduced by Welfare Reform Act 2012 in order to prevent social security income, received by out-of-work working age households, exceeding the average income received by working households. Therefore, under the present legislation the cap must be set by reference to average earnings within the United Kingdom. However, the legislation, as laid out in the Welfare Reform and Work Bill 2015, will remove the link between the level of the cap and average earnings. The legislation also permits the benefit cap to be applied in different areas on different dates during a tax year. (This is the same process as was used to implement the cap across the United Kingdom in 2013).
1.03.2	When the Welfare Reform and Work Bill 2015 has received Royal Assent (expected to be by the end of March 2016), the total amount of ‘out of work’ benefits to which a working age household can be entitled to in a year will be reduced to £20,000 for couples and lone parents and £13,400 for single claimants. (Note: in Greater London the benefit cap will be set at £23,000 for couples and lone parents and £15,410 for single claimants).
1.03.3	Around 1,500 households across Wales are currently subject to the benefit cap at the £26,000pa level - in Flintshire there are only 24 households. However, when the ceiling is lowered to £20,000 the number of Welsh households impacted could be as high as 5,000. The lowering of the benefit cap is projected to save £405 million a year. Further information on the impact of a reduced benefit cap upon Flintshire households is provided in section 4.
1.04	<b><i>Reduction in how much claimants can earn before in-work benefits start to be withdrawn - from April 2016</i></b>
	i) Universal Credit Work Allowances - abolished for non-disabled childless claimants and reduced for non-disabled claimants with children
	ii) Tax Credits Income Threshold - reduced from £6,420pa to £3,850pa
1.04.1	The work allowance and the income threshold figures represent the amount of earnings a claimant may have before their Universal Credit or Tax Credit award starts to be reduced. Therefore, both of these changes appear to be contrary to the main ethos of the Government’s welfare reform policy which is to make working households better off than workless households. For example, when Universal Credit was introduced the work allowances were highlighted as the key element of how Universal Credit would make work pay by allowing claimants to ‘keep more of their earned income before their award begins to be reduced’. At present, a single claimant can earn £111pm before their Universal Credit award starts to be reduced. However, from April 2016, their Universal Credit award will be reduced by £0.65 for every single pound they earn.
1.04.2	Within Flintshire there are 4,100 <sup>3</sup> low income working households, in receipt of Working and Child Tax Credit who, as a result of the reduction in how

- much they can earn before their award starts to be tapered away, will see a reduction in the 'in-work' financial support provided to them by the Tax Credit system.
- 1.04.3 The introduction of the £7.20ph 'National Living Wage'<sup>4</sup> from April 2016, will, in part, mitigate the loss of in-work benefits as the average gross earnings for low income working households will be increased by £875pa. However, in their analysis of the Summer Budget 2015, the Institute for Fiscal Studies project that the reduction in how much working households can earn before Tax Credit/ Universal Credit awards start to be withdrawn will result in the households affected losing an average of £1,000 a year each.
- 1.05 ***Restricting the number of child elements included in the calculation of means-tested benefit entitlement – from April 2017***
- 1.05.1 The calculation of a Universal Credit or Tax Credit maximum amount includes a 'child element' worth £50pw/£2,600pa, in respect of 'each' child a claimant is responsible for within their household.
- 1.05.2 The Government are proposing that the legislation is amended to restrict the number of child elements, included in the calculation of a Universal Credit or Tax Credit award, to a 'maximum of two', regardless of the number of children a claimant has. The restriction on the number of child elements will only apply to new claims made (or for current claims where a third child is born) after 6 April 2017. The restriction will be also be implemented on a "rolling basis" so when an eldest child ceases to be included in the claimant's means-tested calculation, if there is a third child, born on or after 6 April 2017, a child element will then be included for that child.
- 1.05.3 The restriction will not apply in respect of a child who is disabled. Multiple births will also be protected as will a child born as the 'result of exceptional circumstances'. As this change only affects new claims and new births from April 2017, it is projected to generate savings of around £1.4 billion a year from 2020.
- 1.06 ***Removing the 'family elements' in the calculation of means-tested benefit entitlement – from April 2016 (HB) and April 2017 (UC & TC)***
- 1.06.1 All claimants, responsible for at least one child, have an additional amount included in their Housing Benefit, Universal Credit, and Tax Credits calculation. These payments can be grouped together under the generic term of 'family elements'. The Government are proposing that these additional payments to low income families are abolished.
- 1.06.2 The changes will remove the family element from the calculation of a claimants Housing Benefit applicable amount for children born, or new claims made, after April 2016. From April 2017, the equivalent family elements (called the first child premium) will not be include in the calculation of the Universal Credit or Tax Credit maximum amounts for claimants who are only responsible for a first child born on or after 6 April 2017.

<sup>4</sup> The National Living Wage will only apply to employees aged 25 and over. The National Minimum Wage currently covers employees from the age of 16 with different rates payable for 16 – 17 year olds, 18 – 21 year olds and those aged 21 and over. Confirmation is awaited that the NMW will still apply to employees aged 16 to 24 years old.

1.06.3 It is projected that, over time, the change will affect around 4 million low income families who will lose, on average, £590 a year.

1.07 ***Restricting the inclusion of the Universal Credit housing cost element - from April 2017***

1.07.1 As Universal Credit is replacing Housing Benefit an amount may be included in a Universal Credit award in respect of the claimant's eligible housing costs, e.g., rent. However, the Government are concerned that the welfare benefit system encourages young people to leave their parental home and rent a property funded through benefit payments. Therefore, the Universal Credit regulations will be amended so an unemployed claimant, aged 18 to 21 years old, making a new claim for Universal Credit on or after the 6 April 2017 will no longer be 'automatically' entitled to have an amount in respect of their eligible housing costs included in their UC award.

1.07.2 The removal of automatic rights to welfare benefits for young people is an established principle within the social security system. For example, Income Support and Jobseekers Allowance cannot be claimed by most 16 & 17 year olds. However, within the regulations there are a series of exemptions which permit vulnerable 16/17 year olds the legal right to claim both of these benefits. For example, young people who are without parental support. It is to be assumed that similar exemptions will apply within the Universal Credit regulations to allow vulnerable unemployed young people to have a housing cost payment included in the calculation of their Universal Credit award.

1.07.3 In addition, it has been announced that a claimant who has their child living with them is exempt from this measure and a young person who has been living independently and working continuously for the preceding six months before making a Universal Credit claim, will be exempt from this measure for up to 6 months while they look for work.

1.07.4 This change is projected to save around £40 million a year from 2020 and the Welsh Government estimate that across Wales 1,200 young people will be affected by this change. For information, there are 167 Flintshire residents aged 18-21 years old who are currently receiving an award of Housing Benefit to help them to pay their rent.

1.08 ***Abolishing additional benefit payments for claimants assessed as incapable for work – from April 2017***

1.08.1 Currently, a working age claimant with poor health and/or a disability who has been assessed by the Department for Work and Pensions as having a limited capability for work (this means that they do not have to be actively seeking work but do have to undertake reasonable work preparation activities) will have an additional £126.11pcm included in the calculation of their Universal Credit award or, £29.10pw if they are claiming Employment and Support Allowance.

1.08.2 The Government believe the extra payment acts as a financial incentive which 'encourages' some claimants to strive to be assessed as incapable for work as they receive a higher level of benefit income than received by

an unemployed claimant. Therefore, it is proposed that this additional payment is abolished for claimants who are assessed as incapable for work and make a new claim for Universal Credit or Employment and Support Allowance on, or after 06 April 2017. This change will also save around £445 million a year.

1.09 ***Housing Benefit backdating – from April 2016***

1.09.1 At present, a person who has continuous good cause for not claiming at an early time, may have their Housing Benefit award backdated for a maximum period of six months if they are of working age, or three months if they are a pensioner. However, from April 2016, to align Housing Benefit with Universal Credit, the maximum period that a Housing Benefit claim can be backdated for, is reduced to a maximum of four weeks.

1.09.2 In 2014/15, backdated payments of Housing Benefit were awarded to 194 Flintshire residents. For many of these residents their backdated award will have helped them to reduce rent arrears that accrued during the period when they were unable, perhaps due to their poor health, to make their Housing Benefit claim.

1.10 ***Extending Work Conditionality - claimants who are responsible for children – from April 2017***

1.10.1 Conditionality is a core principle of Universal Credit and refers to the requirement for claimants to undertake reasonable activities, which increase their chances of obtaining paid work, or better paid work. A claimant who, without good cause, fails to meet their conditionality requirements will have their Universal Credit award sanctioned.

1.10.2 Claimants with children are exempted from the conditionality requirements until their youngest child reaches a specified age. These changes will mean parents become subject to the conditionality rules when their youngest child is aged two as they will be 'compelled' to prepare for work (currently applies when their youngest child is aged three) and to actively seek work when their youngest child turns three (currently applies when their youngest child is aged five).

1.11 ***Youth Obligation - from April 2017***

1.11.1 To address the concerns around the number of unemployed young people, the Government proposed that unemployed people, aged 18 to 21, will be compelled to participate in an intensive regime of support from day one of their Universal Credit claim. After six months, they will be expected to apply for an apprenticeship or traineeship, gain work-based skills, or go on a mandatory work placement to give them the skills they need to move into sustainable employment.

1.11.2 The Youth Obligation appears to be a very similar concept to the New Deal for Young People introduced in April 1998. This programme successfully helped young people, aged 18 to 24, to move away from dependency on benefits and into sustainable employment.

1.11.3 It is to be assumed that young people, who after six-months are not in

employment or training, and, who, without good cause, do not take-up their mandatory work placement will have their Universal Credit award sanctioned. It is also probable that the system of hardship payments, which are available for claimants subject to a benefit sanction, will not be available under the Youth Obligation. The Department for Work and Pensions will justify the lack of hardship payments by stating that the young person will be able to get themselves out of financial hardship by taking up the mandatory work placement available to them.

1.12 ***Support for mortgage interest***

1.12.1 Owner occupiers claiming specific out-of-work means-tested benefits are able to receive some help towards their mortgage interest payments. From 1 April 2016, the 'waiting period', before any help toward mortgage interest can be paid, is increase from 13 to 39 weeks.

1.12.2 A further change will be introduced from April 2018, when all new claims for help with mortgage interest payments will be paid as an interest accruing loan, which will be repaid when claimants return to work, or upon sale of their property.

1.13 ***Council Tax Reduction Scheme (CTRS)***

1.13.1 As a devolved benefit, the Welsh CTRS will not be affected by any of the changes to the Department for Work and Pensions social security benefits. However, the Welsh Government will need to consider the impact of these changes on the CTRS. For example:

- I. Should adjustments be made to the CTRS means-tested calculation to match the changes being introduced to the DWP means-tested benefit calculations, i.e., removing the family element, restricting the inclusion of child elements to a maximum of two, etc?
- II. Should the local arrangements for backdating CTRS claims be aligned with the new rules for backdating Housing Benefit claims?
- III. Should eligibility for a CTRS award be removed for 18 to 21 year olds who are not eligible for financial help towards their housing costs from April 2017?
- IV. What will be the additional financial impact upon the CTRS that will be generated due to residents having less 'household income', e.g., when Tax Credits awards reduce from April 2016?

<b>2.00</b>	<b><u>RESOURCE IMPLICATIONS</u></b>
2.01	None directly as a result of this report.

<b>3.00</b>	<b><u>CONSULTATIONS REQUIRED / CARRIED OUT</u></b>
3.01	None directly as a result of this report.

<b>4.00</b>	<b><u>KEY RISKS AND MITIGATION</u></b>
4.01	The next phase of welfare reforms will generate similar impacts to those created by the benefit changes introduced by the Welfare Reform Act 2012 which, are presently being mitigated, as much as practical, by a range of activities overseen by the Flintshire Tackling Poverty Partnership.
4.01.1	These activities include, ensuring service resources are being efficiently used in order to meet increased demand for advice and support from residents and helping households to maximise their household income to lessen the impact upon the local economy that the £8 million pa loss of social security income caused by the welfare reforms creates. (Whilst the reforms are reducing public spending upon welfare benefits, some Flintshire households are still failing to access their legal entitlement of welfare benefits and Tax Credits.)
4.01.2	Many of the welfare reforms will not start to impact upon Flintshire households until after April 2017. However, the lowering of the benefit cap, expected to be introduced in the next tax year, will generate a significant financial impact upon the households affected and bring a heightened risk of homelessness, if a household cannot implement strategies to successfully manage the reduction in their Housing Benefit awards.
4.01.3	Given the higher rents within the private rented sector it will be out of work private sector tenants who face losing the most household income and some may find that their accommodation is no longer affordable. Thus, the lowering of the benefit cap will make it more problematic for the Council to use its new powers within the Housing Act (Wales) 2014 and discharge its statutory homelessness duties by offering out of work households a property in the private rented sector.
4.02	<b>Reduced benefit cap - increase number of households impacted and becoming at risk of homelessness.</b>
4.02.1	There are twenty-four Flintshire households who are subject to the cap at the current £26,000pa ceiling. For some of these households, the reduction in the cap will not, immediately, mean any further reduction in their household income. This is because they are presently having the cap applied through reducing their Housing Benefit award and, to allow the households to make an application for a discretionary housing payment,

	<p>they have to be left with a minimum award of £0.50pw Housing Benefit. However, it is important to note that these households will lose around £115pw when the benefit cap is applied through their Universal Credit award.</p>
4.02.2	<p>When the benefit cap ceiling is reduced to £20,000pa (£383.56pw) there will be an increase in number of Flintshire households, containing three<sup>5</sup> or more children, who will be impacted. An analysis of the Housing Benefit caseload show that there are (in July 2015) 464 Flintshire households with three or more children receiving out-of-work benefits. Of these households, 301 are Social Housing tenants and 163 are private sector tenants.</p>
4.02.3	<p>Some of these households will be exempted from the benefit cap, because they or, a family member gets a sickness/disability benefit, etc. At present, based upon the information held on their Housing Benefit claim, only seven households have been identified who will be exempted. However, it is to be expected that this number will increase when the Department for Work and Pensions provide Flintshire's Housing Benefit Service with the full benefit claim details of these households and also information on exempted accommodation cases, i.e., supported accommodation.</p>
4.02.3	<p>It has to be assumed though that the majority of these households will face losing some of their current Housing Benefit award when the £20,000 benefit cap is implemented within Flintshire at some point during the next tax year. Whilst, the impact of the benefit cap will be more severe upon the households within the private rented sector, due to higher contractual rents, an increased number of social housing tenants will face having their Housing Benefit award reduced when the benefit cap is lowered to £20,000pa. Appendix 1, provides examples of how the Housing Benefit award of households is reduced as a result of the benefit cap being applied.</p>
4.02.4	<p>To help protect the most vulnerable households from the negative impact generated by lowering the benefit cap, the Government has announced they will provide £800 million of funding for discretionary housing payments during the next five years across the United Kingdom. The amount which will be available for Flintshire is not known. However, it is highly unlikely to be sufficient to provide appropriate help to all the Flintshire households who will be in need of assistance to manage the reduction in their household income and maintain their contractual housing costs.</p>
4.02.5	<p>When the benefit cap was first introduced within Flintshire (July 2013), the Council's Welfare Reform Response Team proactively targeted the households who were to become subjected to the cap and helped them to identify and implement solutions to the financial problems that having their Housing Benefit award reduced generated.</p>
4.02.6	<p>This approach, albeit to a smaller number of households than will be impacted this time, was successful, particularly in helping households to become exempt from the cap and, in doing so, preventing them from becoming homelessness. If appropriate resources are available, it will be useful to adopt the same approach and directly target advice and support at those households who will become subject to the benefit cap during</p>

<sup>5</sup> Some households containing two children may also be impacted - see appendix 1

	2016/17.
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<b><u>5.00</u></b>	<b><u>APPENDICES</u></b>
5.01	Appendix 1 - Benefit cap – examples

<b><u>6.00</u></b>	<b><u>SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972</u></b> <b>List of Background Documents</b>
6.01	None



**IMPACTS OF THE REDUCED BENEFIT CAP**

When the benefit cap is reduced to £20,000pa (£383.56pw) there will be an increase in the number of out of work Flintshire households containing children it will impact upon.

In the following examples the adults are receiving an out of work means-tested benefit which passports them through to their maximum Housing Benefit entitlement.

**1) Couple – Both Unemployed - Social Housing Household**

An unemployed couple with three children are renting a FCC three bedroom property at a rent of £70pw (and £13.00pw water/sewage charges).

The couple currently receive out of work benefit income of £402.98pw. This comprises of £114.85 Jobseekers Allowance, £173.03 Child Tax Credit, £48.10 Child Benefit and £70 Housing Benefit.

When the couple become subject to the benefit cap the maximum out of work income they can receive is £383.56pw. Their current weekly income will be capped at this amount by reducing their Housing Benefit award by £19.42pw.

Thus, to avoid accruing rent arrears the household will have to pay FCC £19.42pw on top of their £13.00pw water rates.

**2) Single Parent - Unemployed - Private Sector Household**

An unemployed single parent with four children is privately renting a three bedroom property at a rent of £120pw.

The single parent currently receives out of work benefit income of £478.13pw. This comprises of £73.10 Jobseekers Allowance, £223.23 Child Tax Credit, £61.80 Child Benefit and £120 Housing Benefit.

When the single parent becomes subject to the benefit cap the maximum out of work income they can receive is £383.56pw. Their current weekly income will be capped at this amount by reducing their Housing Benefit award by £94.57pw. Thus, to avoid accruing rent arrears they will have to pay this amount to their Private Landlord.

**IMPACTS OF THE REDUCED BENEFIT CAP**

**3) Couple - Both Unfit for Work – Social Housing Household**

A couple have both been assessed as incapable for work and placed in the Employment and Support Allowance work activity group. They have three children and are renting a Housing Association three bedroom property at a rent of £80pw.

The couple currently receive out of work benefit income of £442.03pw. This comprises of £143.90 Employment and Support Allowance, £170.03 Child Tax Credit, £48.10 Child Benefit and £80 Housing Benefit.

When the couple become subject to the benefit cap the maximum out of work income they can receive is £383.56pw. Their current weekly income will be capped at this amount by reducing their Housing Benefit award by £58.47pw. Thus, to avoid accruing rent arrears they will have to pay this amount to their Housing Association.

**4) Couple – Carer & Unfit for Work – Private Sector Household**

A couple with two children are renting a 2 bedroom house from a Private Landlord at a rent of £110pw. One member of the couple receives Carers Allowance for looking after a disabled relative and the other member has been assessed as incapable for work and placed in the Employment and Support Allowance work related activity group.

The couple currently receive out of work benefit income of £445.28pw. This comprises of £121.95 Income Related Employment and Support Allowance, £62.10 Carers Allowance, £116.83 Child Tax Credit, £34.40 Child Benefit and £110 Housing Benefit.

When the couple become subject to the benefit cap the maximum out of work income they can receive is £383.56pw. Their current weekly income will be capped at this amount by reducing their Housing Benefit award by £61.71pw. Thus, to avoid accruing rent arrears they will have to pay this amount to their Private Landlord.

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **COMMUNITY AND ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **WEDNESDAY, 7 OCTOBER 2015**

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

**SUBJECT:** **SARTH POLICY**

### **1.00 PURPOSE OF REPORT**

1.01 The purpose of this report is to provide an update to Members on the progress over the first five months of the SARTH Common Housing Register and Policy.

### **2.00 BACKGROUND**

2.01 SARTH is a partnership project between all the major social landlords in North East Wales, covering the local authority areas of Conwy County Borough, Denbighshire and Flintshire.

2.02 In addition to the above Councils, the partnership also includes Cartrefi Conwy, Clwyd Alyn, Grwp Cynefin, North Wales Housing and Wales and West Housing Associations.

2.03 In 2011, the Welsh Government supported a project to explore the options for a sub regional common housing register and policy. A Regional Steering Board was created with senior officer representatives from all the project partners. A project manager was recruited in January 2012. The Council held a workshop in July 2012 for Housing Overview and Scrutiny in order for members to feed into proposals. In November 2012, Cabinet gave approval for a consultation process on the new policy. Elected Members were invited to attend a workshop in April 2013 as part of that consultation and an update report was circulated to Elected Members in July 2013 providing feedback on the consultation results.

2.04 The SARTH policy was implemented in April 2015. Applicants are given priority on the register based on the statutory 'reasonable preference' categories which include homelessness, overcrowding, living in unsanitary conditions, medical grounds or hardship. As long as an applicant meets one of these 'reasonable preference' groups then they are entitled to register. Additional priority is then given based on the urgency of need and local connection.

- Band 1 Local Connection – housing need (urgent)**
- Band 2 Local Connection – housing need (not urgent)**
- Band 3 No Local Connection – housing need (urgent)**
- Band 4 No Local Connection – housing need (not urgent)**

- 2.05 Within each band applicants are listed in date order of their application. Applicants can choose their preferred property type and location and are advised on availability of stock in their chosen areas. Applicants' position on the register will be subject to review if they refuse two reasonable offers of accommodation that match their choices. Applicants who fall within the reasonable preference groups but have assets or savings which could reasonably be used to resolve their housing need may have their priority reduced in order to ensure those in most need are given priority. Circumstances are considered on an individual basis and there is a process of appeal. Similarly, applicants with previous poor behaviour and/or arrears may have their priority reduced. If an applicant has existing arrears and has no adequate arrangement in place to address the arrears then they will be informed that their application will be placed in band four until they can demonstrate they have an arrangement in place. The applicant has the right to appeal this decision.
- 2.06 The SARTH policy does not only include a revised allocation policy but includes some changes to the way the register is currently managed. This includes a move away from a focus purely on social housing and a move toward providing advice on realistic housing options.
- 2.07 In January 2014, Cabinet approved the implementation of the new allocation policy for Flintshire County Council. (Copy of policy attached at Appendix 1). Cabinet approved the development of a Housing Access Team providing improved advice on housing options ahead of the development and transfer of applicants to the new register.

### **3.00 CONSIDERATIONS**

#### **Implementation**

- 3.01 There has been a phased transition from the points register to SARTH and the new Common Housing Register. Allocations from the new register went live on April 8<sup>th</sup> 2015. All applicants on the register were contacted in January and asked to confirm if they wished to stay on the register. Older applicants received a visit from the Community Based Accommodation Support Service. These applicants and new applicants were triaged and placed in the appropriate band ready for the switch over to the new policy.

- 3.02 It was an important part of the transition that applicants were contacted so that all the information held was up to date and an accurate reflection of their housing need. However, as the combined number of applicants including those on the Housing Association's lists was approximately 4,000 some very high pointed applicants who did not respond were transferred over to the banding system. This action mitigated the risk of someone in housing need not being included on the register but did cause some data to not be current in the early days. Regular reviews of applications is resolving this situation.
- 3.03 The number of applicants who responded and wanted to apply to be on the Common Housing Register was lower than anticipated. This reduction in the register is not unusual and is representative of other areas that have cleansed their data and moved to a Common Housing Register. Initially, the points register was maintained alongside the new banding system and Housing Officers allocated from the new policy but were able to check the old register for any high pointed applicants so they could be contacted by the Housing Access Team.

### **Triage**

- 3.04 A core principle of the new policy is that instead of accepting applications from households, who may have very low housing need, the existing staff resources will be targeted at providing information to applicants about their housing options including wider choices than social housing which may be more realistic for some people. This contact with applicants can also be an opportunity to inform them about area choices and high and low demand, in order to maximise the chance of meeting housing need and managing expectations. Guidance for staff has been completed. However, as the team deal with cases there is the opportunity to add flexibility and continue reviewing and refining the guidance to recognise the complexity of individual cases. It has been a joint learning experience across Housing Solutions and the Housing Management Service.
- 3.05 On initial enquiry the Housing Access Team identify if there is a housing need and whether the household is eligible for social housing. The team are located with the Duty Homeless Officer so households at risk of homelessness or in need of housing advice can be forwarded directly to the Homeless Officer. The team can also make referrals to the Bond Scheme, NEW Homes, Welfare Rights, Vulnerable Adults Social Worker or Tenancy Support depending on the needs of the individual. Some Flint Connects staff have been trained to provide the equivalent service face to face. The call centre statistics show that the Housing Access Team receive an average 55 calls a day and in May this peaked at 105 calls in a day. The table below shows the numbers of triage assessments carried out and where households were referred.

Service	May	June	July	August	Sept	2015 Total	Grand Total
Bond Scheme	10	15	17	14	4	60	60
Environmental Health	3	6		1	1	11	11
Housing Access	19	31	41	22	11	124	124
Housing Solutions	72	119	129	107	33	460	460
No Further Action	5	7	5	4	4	25	25
Neighbourhood housing	1	1	1	2		5	5
Supporting People	1	5	5	7	1	19	19
<b>Grand Total</b>	<b>111</b>	<b>184</b>	<b>198</b>	<b>157</b>	<b>54</b>	<b>704</b>	<b>704</b>

3.06 The transition to the new Common Housing Register and the new policy coincided with the introduction of the new Homeless Legislation. In addition to learning new legislation and a new policy, the demand on the service has remained high. There have been some early problems with the data in the system. Capita and the Business Systems Team have worked closely with the project to resolve issues in order to minimise disruption to the service.

3.07 The volume of calls and in some cases the lengthy phone assessments also led to delays in responding to customers. The Customer Services Team has supported the service to implement new arrangements to ensure call handling is efficient. The Project Manager and Compliance Officer have provided training and continued support from a weekly panel made up of management representatives from Housing Management, Housing Options and the Independent Compliance Officer. The information in the register will be subject to regular review to ensure it is up to date to assist with letting properties in a timely manner.

### The Register

3.08 The numbers on the register is considerably reduced from the points register and now reflects live information on applicants in housing need with up to date information and ensures those on the register are ready to move.

3.09 The current breakdown of numbers in bandings is as follows:

### October 2015

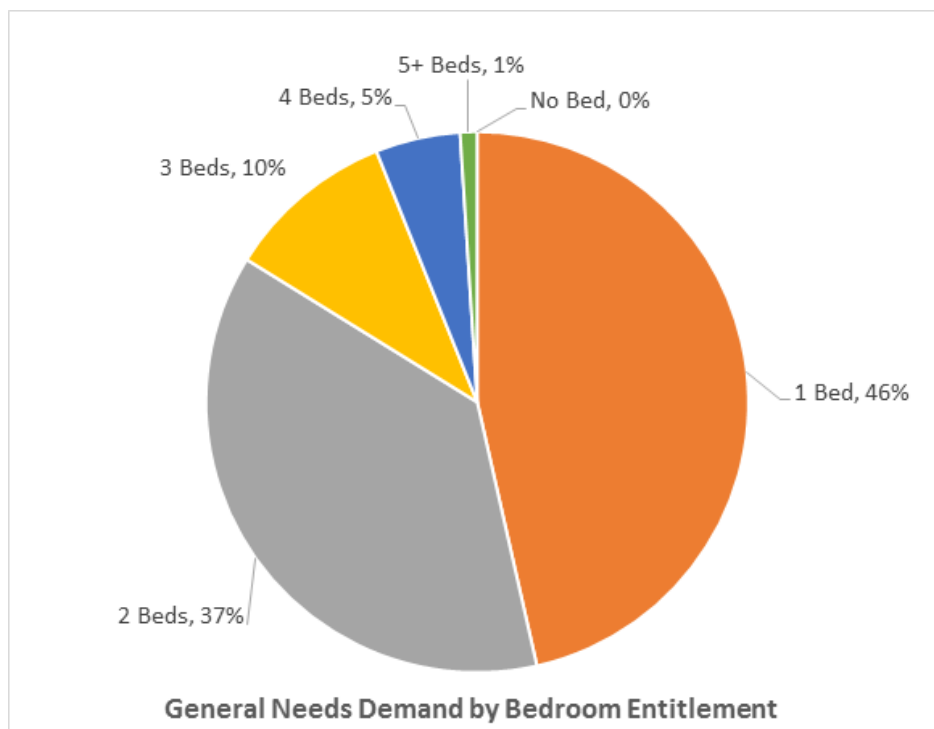
Band 1	151
Band 2	764

Band 3	3
Band 4	59
Triage	35
<b>Total</b>	<b>1012</b>

3.10 The figures for July and August demonstrate that there has been a steady increase with more new applications than properties let across all the partners. There were 99 lets across all the landlords in July and August whereas 153 new applications were added to the register. However, there is not always a match between need and availability of stock.

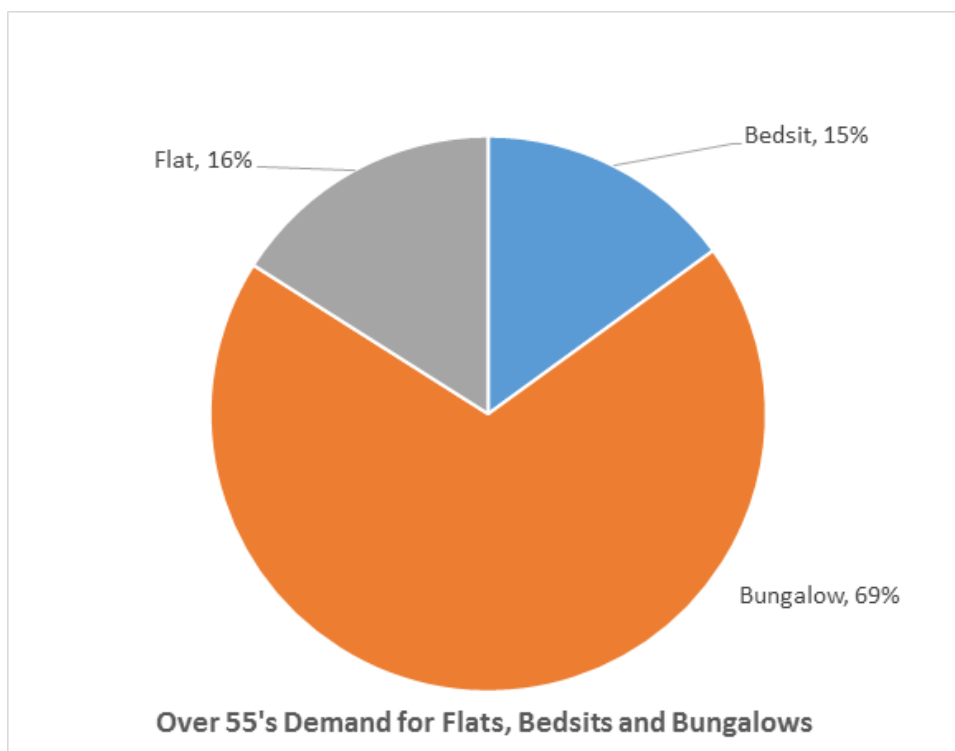
### Housing Demand

3.11 The following shows the current demand by property size for general needs accommodation. It is worthy of note that these figures show what a household will match to and not what they may choose and what they may be offered. For example all the older single and couples will match to a 1 bed. Many families will match to a 2 bed but following an affordability assessment could be offered a three bedroom if the three bedroom list has been exhausted first.



3.12 The following chart shows the property type preference for those aged

over 55.



3.13 The areas of high demand are Shotton, Buckley, Flint, Mold and Connahs Quay with half of the people on the register choosing one of these areas as their first choice.

3.14 There is varying levels of demand in other areas and limited demand in some villages. Before the data cleanse, the numbers on the register did not necessarily accurately reflect current demand, the subsequent cleanse and more accurate figures has highlighted some areas of limited demand for sheltered properties and larger family houses. Demand for sheltered housing will be considered as part of a wider project following a report brought to this scrutiny earlier in the year. The total stock list for all partners is attached at appendix two.

### **The Project and Partners**

3.15 Flintshire County Council now holds and manages the register for all the social landlords in the county. This has created a single application process and widened choice for households. The Common Housing Register and policy is the result of a regional project and it has been a significant challenge to join up a number of organisations to agree a common policy and implement a single process aligning our separate IT systems.



- 3.16 The regional SARTH Steering Group still meets to oversee the implementation. Flintshire also has its own project group with membership from Business Systems, Estate Management and Housing Solutions which is supported by a Project Manager. All issues are logged and resolved through this group and the procedures beneath the overarching policy have been finalised.

### **Next Steps**

- 3.17 The aim of the new policy is that those in most housing need are given priority consideration for social housing as prescribed within current housing law. However, there are other households without a specific housing need who would choose social housing as their preferred housing option. As long as the register has been exhausted then these properties can be offered to other households.
- 3.18 The next stage of the project is to implement the Immediate to Let process. It may be that at any given time for a range of reasons there is not a household in housing need requiring a property of a particular size. In this instance the property can be promoted through the website and other channels. This stage of the project will be led by the Housing Management Service and is reflected in the Voids and Lettings Improvement Plan.
- 3.19 Maintaining a register is resource intensive and household circumstances change rapidly so that information becomes out of date very quickly. In order to keep costs and staff time to a minimum it is proposed that those households who do not have a housing need are advised to look on the website and apply for any properties as they become available.
- 3.20 There is the opportunity for the website to be extended to include affordable rental properties creating a central point for all affordable housing in the county.

### **4.00 RECOMMENDATIONS**

- 4.01 Committee notes the progress of the project since January 2015.
- 4.02 Committee supports the next stage of the project to make best use of housing stock.

### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The change to the Common Housing Register has been included as an efficiency saving for 2015/16 realising a reduction of £30k in costs.

### **6.00 ANTI POVERTY IMPACT**

- 6.01 The proactive work being undertaken by the Housing Solutions Team

will assist applicants to access affordable housing and mitigate the increase in homelessness at the earliest opportunity.

**7.00 ENVIRONMENTAL IMPACT**

7.01 None specifically associated with the content of this report.

**8.00 EQUALITIES IMPACT**

8.01 None specifically associated with the content of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None specifically associated with the content of this report.

**10.00 CONSULTATION REQUIRED**

10.01 No further consultation required.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Full consultation carried out ahead of Cabinet agreeing the policy.

**12.00 APPENDICES**

12.01 Appendix 1: Common Allocation Policy

12.02 Appendix 2: County Stock List

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

None.

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## **Common Allocations Policy**

### **A Single Access Route to Housing for north east Wales**

All the major social landlords in the local authority areas of Conwy County Borough, Denbighshire and Flintshire have come together to design a single access route to housing. The partners in this collaboration are:

- Conwy County Borough Council
- Denbighshire County Council
- Flintshire County Council
- Cartrefi Conwy
- Clwyd Alyn Housing Association
- Cymdeithas Tai Clwyd
- North Wales Housing
- Wales & West Housing

All partners recognise that there is high demand for rented homes in the region and too few vacancies to meet demand. We must be realistic about this. It requires us to do two things:

Firstly, we will provide the best, most useful, consistent and accessible advice and information to everyone who comes to us looking for housing. We aim to help customers make the most informed choice about how to find a home to meet their needs. This advice must cover the whole range of affordable housing options, including social housing, private rented accommodation, home ownership and other alternatives.

Secondly, we will allocate our social housing stock in a transparent, fair, consistent and accessible way, which prioritises the people in our communities according to their housing needs and which meets our legal requirements.

Working together to these ends, we can share our strengths and good practice and place the customer at the heart of everything we do. We will simplify the access route to advice and to housing with one clear purpose: to help people find a home to meet their needs.

## Overview of the Common Allocations Policy

This Common Allocations Policy (CAP) has been developed by all partners in collaboration and sets out how partners will achieve the following aim:

- To allocate our social housing stock in a transparent, fair, consistent and accessible way, which prioritises the people in our communities according to their housing needs and which meets our legal requirements.

## Legal Context

This policy is fully compliant with the Housing Act 1996 as amended by the Homelessness Act 2002 which provides the legislative policy for allocations policy. The following aspects of this Act have guided the development of this policy:

- Section 167(2) of the Housing Act 1996, as amended by the Homelessness Act 2002, requires that this policy ensures that housing is allocated so that reasonable preference is given to people who fall within certain categories (as defined in section 8 below).
- Section 167(2) also provides that additional preference may be given to people falling within these categories who have urgent housing needs.
- Section 167(2A) provides that within the group of applicants who must be given reasonable preference, priority may be given to applicants who have a local connection with the local authority area as defined in section 10 below.
- Section 167(2A) provides that within the group of applicants who must be given reasonable preference, priority may be reduced where there is evidence of any behaviour by an applicant (or a member of their household) which effects their suitability to be a tenant or because of financial resources available to the person, which it would be reasonable for them to use to meet their housing needs.

The partners to this policy have also taken into account the contents of the “Code of Guidance for Local Authorities: Allocation of Accommodation and Homelessness 2012”, published by the Welsh Assembly in August 2012.

## Consistency combined with a local approach

The common allocation policy delivers a uniform assessment of housing need across the region, providing fairness and consistency to the customer, taking into account people’s individual needs and expressed preferences.

The policy has been designed so that each partner is able to target the housing stock in each county at the people in their own communities who are most in housing need.

There is a consistent application process for customers. Each partner with properties in an area chosen by an applicant will be aware of the application and able to give the applicant the appropriate priority in the allocation process.

The common approach delivers both choice and ease of access to customers and an efficient means for partners to consistently meet housing need.

### **The Housing Register and the Banding Scheme**

The policy is founded on the principle that reasonable preference in the letting of housing accommodation will be given to those persons who fall within the statutory categories set out in section 8 below. The relative priority given to applicants within these categories is determined by the banding scheme, according to whether they have an urgent housing need, whether they have a local connection and the date order of their application.

Applicants who are not in the categories entitled to reasonable preference will generally not be given any priority in the banding scheme and will not be recorded on the housing register. This is because of the limited supply of social housing and the responsibility to prioritise those in housing need. However, the advice and information offered to all customers will allow them to seek alternatives which will give them a greater chance of finding new accommodation.

### **Realistic Housing Options Advice**

An enhanced housing options advice service will be provided for everyone who contacts any of the partners looking for somewhere to live.

When they first contact us, all customers will be asked where they would like to live and what their needs and preferences are. They will be advised of the full range of options open to them in their chosen areas and can then decide where their best options lie, whether via social housing or another alternative, taking into account supply and demand.

Advice and information on how to make an application and how houses are allocated will be available free of charge. Any assistance that a person may need to apply for housing will also be free of charge.

An applicant shall also be entitled, upon request, to such general information as will enable them to assess:

- How their application is likely to be treated under this policy (including in particular whether they are likely to be regarded as a member of a group of people who are to be given preference).
- Whether housing accommodation appropriate to their needs is likely to be made available to them and, if so, how long it is likely to be before such accommodation becomes available for allocation to them.

### **Fair and Equal Access**

All partners are committed to providing equality of opportunity to all applicants who apply for housing and this policy has been subject to an equality impact assessment. This policy does not discriminate against any person on the grounds of race, gender, sexuality, age, disability, class, appearance, religion or religious beliefs, responsibility for dependents, unrelated criminal activity, being HIV positive or having AIDS, or any other matter which might cause a person to be treated with injustice.

All partners will comply with the statutory requirements relating to equal opportunities and all relevant codes of practice. The monitoring of allocations under the policy will take place to ensure that everyone is treated fairly and equitably. All applicants applying for social housing across the authorities will have their housing need assessed in a uniform way. Whenever we communicate with customers we will do so in the most appropriate language for the customer and will employ alternative forms where appropriate.

### **Scope of the Policy**

This policy applies to all allocations of social housing made by partner landlords in the local authority areas stated in the introduction. However, this policy does not cover exchanges arranged between existing council and RSL tenants.

## **Part One: Introduction**

### **1. Guiding Principles**

The policy is based on the following guiding principles:

- To ensure that preference for social housing is given to those in housing need and that those in greatest need are given the highest priority.
- To give higher priority to applicants with a local connection to the area for which they are making an application than to those who have no such connection
- To ensure that the system is fair, confidential and accessible to all potential applicants.
- To make the best use of all the available housing stock
- To ensure consistency in the way in which applicants are treated by all the partner organisations
- To provide a responsive service that treats everyone as an individual
- To empower applicants and support them to make informed and realistic choices about where they want to live
- To provide appropriate, accurate and realistic advice relating to the availability of affordable housing at the point of application
- To maximise applicant satisfaction and improve the applicant service

### **2. Choice**

Applicants can exercise choice in relation to social housing. They will be asked to indicate the types of property they wish to be considered for in terms of location, property type and floor level. The property type they are eligible for will be determined not only by their preference but also by their household, as described in section 13 below.

### **3. Applications from people with support needs**

Partners are committed to ensuring that applicants with support needs are provided with the correct level of support to enable them to access housing and to maintain their tenancy. To this end partners will be working with the relevant statutory and voluntary partners in order to agree an appropriate model for ensuring that support needs are addressed.

### **4. Confidentiality**

- 4.1. Members operating the policy will take reasonable steps to verify information provided by applicants in support of their applications. This may include undertaking

a home visit and making enquiries of third parties such as health professionals or previous landlords.

- 4.2. Information provided by applicants will be retained securely and confidentially by all partner organisations.
- 4.3. Applicants may request a copy of information held by partners about their application, which will include information provided by third parties unless there are exceptional circumstances where it is necessary to protect the identity of the third party concerned. In such exceptional circumstances, every effort will be made to convey to the applicant the information that has been obtained from the third party in a reduced form.
- 4.4. Partners will share relevant information with other partners prior to an offer of housing.

## 5. False Information

Applicants who give false or misleading information may have their application rejected or their tenancy terminated. In some cases this may also result in criminal prosecution, substantial fines and even imprisonment.

## Part Two: Eligibility

### 6. Eligibility for allocation of social housing

- 6.1. Unless an applicant falls within one of the specified ineligible groups referred to below, applications for social housing will be considered from any person or persons over the age of 16, including existing tenants.
- 6.2. In compliance with the provisions of the Housing Act 1996 (as amended by the Homelessness Act 2002) the following categories of applicant are ineligible for the allocation of social housing:
  - Applicants subject to immigration control, unless they have been granted a status which renders them eligible, e.g. persons with refugee status, persons who have been granted Humanitarian Protection, persons who have been granted Discretionary Leave to Remain and persons who have been granted Exceptional Leave to Remain.
  - Applicants from abroad who are not subject to immigration control and who are not habitually resident in the Common Travel Area (i.e. the UK, Channel Islands, Isle of Man and the Republic of Ireland). Exceptions to this are outlined in Regulation 5 of the Allocation of Housing (Wales) Regulations 2003.
- 6.3. As provided by section 160A(7) of the 1996 Housing Act (as amended by the 2002 Homelessness Act), the following category of person may be deemed to be ineligible for the allocation of housing accommodation:
  - Applicants, or members of their household, who have been guilty of unacceptable behaviour serious enough to render them unsuitable to be a



tenant of a partner landlord. The only behaviour that can be regarded as unacceptable is behaviour by the person that would have entitled a local authority to an outright possession order, if the person had been a secure tenant of the local authority at the time.

In assessing whether an applicant is ineligible due to unacceptable behaviour, the partner landlord will consider:

1. Where there is evidence of unacceptable behaviour, was it serious enough for a possession order to have been granted (which includes consideration of the statutory discretionary grounds for possession and questions of reasonableness)?
2. Was the behaviour serious enough to render the applicant or household member unsuitable to be a tenant (which involves consideration as to whether an immediate possession order was made or might have been made as opposed to a suspended order)?
3. Does the behaviour continue to be unacceptable at the time of application?

Partner organisations will act reasonably and consider each application on its merits. We will take into account the applicant's personal circumstances (and those of the applicant's household), including his or her health and medical needs, dependents and any other factors relevant to the application. In particular, the partners will consider any mitigating circumstances relating to mental or physical disability, or mental health. Previous unacceptable behaviour may not justify a decision to treat the applicant as ineligible where the applicant can show that the behaviour has improved.

- 6.4. Applicants deemed ineligible for housing will be provided with advice and guidance regarding their housing options from the Housing Options team when they contact the service.
- 6.5. Applicants deemed ineligible for housing will be notified of the decision and grounds of this in writing. They will also be informed of their right to request a review and their further right to appeal any decision upon review.
- 6.6. Where the assessing partner has reason to believe that the applicant may have difficulty in understanding the decision, arrangements will be made for the information to be explained in person, with appropriate support or translation where necessary. Furthermore, in cases where the partner has reason to believe that the applicant cannot be sent written notification or has not received it, the partner will make available at their offices a written statement of the decision and the reasons for it, so that the applicant or someone who represents the applicant may collect it within a reasonable time.

## Part Three: The Allocations Scheme

This policy uses a banding scheme in order to prioritise applicants. The scheme is described in this section. It follows housing law regarding reasonable preference, additional preference and local connection. It also makes provision for reducing priority under certain circumstances. These concepts are explained in the following sections.

### 7. The shared housing register

- 7.1. As set out in the introduction, each customer contacting a partner organisation will be given housing options advice to enable them to consider their best options for finding accommodation. The advice will be tailored to individual circumstances, including whether the customer is in housing need. All customers may make an application for social housing.
- 7.2. The banding scheme is designed to give priority to applicants in housing need. The categories of housing need in the scheme are based on the reasonable preference categories set out in section 167 of the 1996 Housing Act, which are stated in section 9 below. Applicants who are given a banding will be recorded on the housing register, whose purpose is to manage applications from people in housing need.
- 7.3. Applicants who do not fall into any of the categories in the banding scheme will be given no preference for housing and will not be recorded on the housing register. Other housing options available to them will be made clear.
- 7.4. Customers who are eligible for the allocation of social housing but not given any priority in the scheme and not recorded on the register are still eligible to apply for social housing in situations where a vacancy occurs which cannot be let to anyone in any of the bands. In such situations, partner landlords may seek to let the property via other means, for example by advertising. In this case, any customer eligible for the allocation of social housing (including those not on the register), would be able to apply to live in the property and have their application considered.

### 8. Reasonable preference

The banding scheme ensures that reasonable preference is given to those applicants who fall within on or more of the following categories:

- 1) those who are homeless within the meaning of Part 7 of the 1996 Act; this includes people who are intentionally homeless, and those who are not in priority need;
- 2) those who are owed a duty by any housing authority under section 190(2), 193(2), or 195(2) of the 1996 Act (or under section 65(2) or 68(2) of the Housing Act 1985) or who are occupying accommodation secured by any housing authority under section 192(3);

- 3) those occupying unsanitary or overcrowded housing or otherwise living in unsatisfactory housing conditions;
- 4) those who need to move on medical or welfare grounds including grounds relating to a disability; and
- 5) those who need to move to a particular locality in the district of the housing authority, where failure to meet that need would cause hardship to themselves or to others.

## 9. Additional preference

The allocation policy gives additional preference to people who fall within the reasonable preference categories and who are deemed to have urgent housing needs.

## 10. Local Connection

10.1. For determining priorities in allocating housing accommodation to people who fall within the five reasonable preference categories, any local connection (within the meaning of section 199 of the 1996 Act, as amended by section 315 of the Housing and Regeneration Act 2008) that an applicant has with a relevant local authority area, or in rural areas with a community council area, will be taken into account, in the manner set out in this section.

10.2. In this policy, by the phrase “local connection” is meant a connection between a person and a local authority area, i.e. Conwy, Denbighshire or Flintshire.

10.3. An applicant may have a local connection to a local authority area if the applicant or a member of their household has a connection for any of the following reasons:

- They have been resident in the local authority area for the previous 12 months.
- They were resident in the local authority area for 3 out of the previous 5 years.
- They have family associations in the area. Family associations normally arise when someone has a parent, adult child, brother or sister who has resided in the area for a period of at least 5 years at the date of application and both the person and the locally residing relative in question indicate a wish for them to be near them.
- They either provide support for or receive support from some person or organisation resident in the local authority area.
- They have been in employment in the local authority area for the last 12 months.
- They have been offered a job in the local authority area but have a disability and are unable to take up the job offer because of the difficulty of finding adequate accessible housing in the area

- They need to move to the local authority area so that a member of their household with a disability can attend a school or receive specialist support, but are unable to do so because of the difficulty in finding adequate accessible housing in the area. The need must be as a consequence of the disability and the need to move to that local authority area must be evidenced.
  - They are serving in the Armed Forces and are either employed or resident in the local authority area.
  - They are serving in the Armed Forces or are former members of the Armed Forces who are not currently employed or resident in the local authority area but have previously been resident in the local authority area, including residency as a result of a former posting in the area while serving in the Armed Forces.
- 10.4. In the situation where a local authority partner has accepted a duty towards an applicant under homelessness legislation, the applicant will be deemed as having a local connection to the relevant local authority area for the purposes of this allocation policy.
- 10.5. An applicant may have a local connection to one local authority area within the north east Wales region but not to another. As a result, if an applicant applies to more than one county, they may be placed in different bands with respect to different local authority areas.
- 10.6. Partners will retain the capacity to refine local connection criteria in particular circumstances via the use of local lettings policies, as per section 17 below.

## 11. The banding scheme

- 11.1. The banding scheme consists of four bands, from one to four in descending order of priority.
- 11.2. The band which an applicant can be placed in depends on whether they fall within one or more of the reasonable preference categories (as defined in section 8), whether they have an urgent housing need (as defined in section 9) and whether they have a local connection (as defined in section 10). When a property becomes available for letting, all applicants for whom the property is suitable (see section 13 below on the allocation of vacant properties) will be ranked in order of priority as follows. Applicants in band one will be given highest priority and then applicants in band two and so on. Within each band, applicants will be ranked by order of the date of their application for housing or the date of their application to transfer, with the applicant waiting the longest given highest priority.
- 11.3. The banding scheme is described in the appendix to this policy. The bands are summarised as follows:
- Band 1 is for applicants who fall within one or more of the reasonable preference categories, have an urgent housing need and have a local connection
  - Band 2 is for applicants who fall within one or more of the reasonable preference categories, do not have an urgent housing need and have a local

connection. The only exception is that applicants who are intentionally homeless and entitled to reasonable preference will not be placed in band two even if they have a local connection, unless they fall within one of the other reasonable preference categories (i.e. categories 3, 4 or 5 in section 8).

- Band 3 is for applicants who fall within one or more of the reasonable preference categories, have an urgent housing need but do not have a local connection.
- Band 4 is for:
  - a. applicants who fall within one or more of the reasonable preference categories but do not have an urgent housing need and do not have a local connection and;
  - b. applicants who are intentionally homeless and have a local connection, but do not have an urgent housing need and, aside from being intentionally homeless, do not fall within any other reasonable preference category.

11.4. Exceptional circumstances may arise in which a partner landlord determines that a management move is necessary for one of their tenants. This may only be done when the circumstances or the urgency of the circumstances are not adequately covered by the banding scheme. In this situation, the partner landlord may allocate a property to the particular resident in preference to applicants on the common register, irrespective of the banding scheme or date of application. Such management moves must be authorised and will be audited.

## 12. Reduced priority

12.1. In compliance with provisions set out in the 1996 Housing Act, section 167 (2A), this policy allows that certain applicants who are entitled to reasonable preference may have their priority within the allocations scheme reduced because of any behaviour of the applicant (or a member of their household) which effects their suitability to be a tenant. This definition is distinct from that which entitles landlords to deem an applicant ineligible for social housing, as set out in section 6 above.

12.2. Categories of behaviour which may result in applicants being given reduced priority are as follows (in each case the behaviour may be on the part of any member of the household):

- Applicants who have engaged in anti-social behaviour and who have not maintained a satisfactory undertaking to address that behaviour.
- Applicants who have been convicted of using their home for immoral or illegal purposes.
- Current tenants who have been subject to action for breach of tenancy.
- Tenants wishing to transfer where their current property is in such poor condition that it cannot be re-let within a reasonable timescale.
- Applicants who have rent arrears owing to a current or previous landlord and who have not made and maintained a satisfactory arrangement to repay the debt.

- Applicants who have deliberately provided false or misleading information or failed to disclose information relevant to their application. In these cases applicants will be asked to complete a new application. The date of this new application will be taken and they may be given reduced preference for the new application.
- Applicants who have refused two reasonable offers. In this case applicants will be removed from the register and if they re-apply may be given reduced priority.
- Applicants who are deemed to have deliberately worsened their housing circumstances. For example, this may apply where an applicant gives up settled accommodation in order to move into less settled or overcrowded accommodation.
- Applicants who have behaved in a way which affects their suitability to be a tenant (or whose household contains a member who has done this).

12.3. In compliance with provision set out in the 1996 Housing Act, section 167 (2A), this policy also allows that certain applicants who are entitled to reasonable preference may have their priority within the allocations scheme reduced because of financial resources available to the person, which it would be reasonable for them to use to meet their housing needs. This may apply for example when the person has legal or financial interests in a property and/or sufficient income or savings.

12.4. In deciding whether to reduce priority, the administering organisation will act reasonably and consider each application on its merits. It must have regard to the applicant's personal circumstances (and those of the applicant's household), including his or her health and medical needs, dependents and any other factors relevant to the application. In particular, it must consider any mitigating circumstances relating to mental or physical disability, or mental health.

12.5. When considering cases of behaviour, previous behaviour may not justify a decision to reduce preference where that behaviour can be shown by the applicant to have improved.

12.6. All decisions regarding reducing priority must be approved by a senior officer of the administering organisation. Cases of reduced priority will be monitored and the process reviewed as part of the annual review.

12.7. The sanction imposed on an applicant if a decision is taken to reduce priority will be to reduce priority to band 4. Applicants who are already in the lowest band cannot have their priority reduced.

12.8. In circumstances where an applicant has their priority reduced they will be provided with appropriate advice and guidance and support.

12.9. Applicants who are given reduced priority will be notified of the decision and the grounds of this in writing. They will have the right to appeal and to ask for the decision to be reviewed. If a decision is reviewed, the applicant will be informed of the decision of the review and the grounds for it.

12.10. Applicants who have their priority reduced because of unacceptable behaviour will be informed that if they change their behaviour and present satisfactory evidence of this, they will have the sanction removed. In this situation,

the date of application for the purposes of ranking of applicants in any shortlist will be the date when the reduction of preference was removed.

- 12.11. Rehousing of some applicants with an offending background may be subject to Multi Agency Public Protection Agreements (MAPPA). In such circumstances housing allocation arrangements will be based on the appropriate risk assessment criteria with the relevant agencies concerned.

### 13. Allocation of vacant properties

13.1. At the point of application, applicants are asked about their choice of area and property type. However, each property type is usually only let to particular categories of household. The guidelines for this matching are given below.

13.2. Some types of property are designated for specific categories of applicant. The main examples of this are:

- Designated sheltered housing schemes have age restrictions which apply to tenants and members of their households.
- Homes that have been purpose built, adapted or are considered accessible by people with mobility needs will be offered first to people whose physical needs are suited to the property.
- Houses will normally only be let to families with children, where this is the children's principal home.
- Some flats and maisonettes will have restrictions regarding pets

13.3. Applicants will normally be registered for property types on the basis of the table below. Note that a household would be eligible for an additional bedroom for each child or other member of the household over 16, where they are not members of a couple. Couples are expected to share a bedroom.

<b>Household make up</b>	<b>Number of bedrooms</b>
Single person	1 bedroom or bedsit
Pregnant women (in couple or single)	1 or 2 bedroom
Couple	1 bedroom
Couple or single parent with one child under 16	2 bedrooms
Two person household not in couple	2 bedrooms
Couple or single parent with two children under 16 of same sex, or with two children of opposite sex, both under 10	2 bedrooms
Couple or single parent with two children under 16 of opposite sex, with at least one child over 10	3 bedrooms
Couple or single parent with three children under 16	3 bedrooms
Couple or single parent with four children under 16, in any of the following cases: <ul style="list-style-type: none"> <li>- all of same sex;</li> <li>- 2 boys and 2 girls</li> <li>- 3 of one sex and 1 of the other sex, where at least 2 children of different sex are under 10</li> </ul>	3 bedrooms
Couple or single parent with four children under 16, 3 of one sex and 1 of the other sex, where either the 3 of one sex are all over 10 or the child of the other sex is over 10	4 bedrooms
Couple or single parent with five children under 16	4 bedrooms
Couple or single parent with more than five children under 16	4 or more bedrooms

The table above is a general guide only and procedure may vary in areas due to local demand, supply, special circumstances or any local letting policies. Situations which may require a variation from the table include:

- Where there is a limited supply of properties with a small number of bedrooms relative to demand and there is a reasonable supply of properties with a large number of bedrooms relative to demand, applicants may be considered for and offered properties with more bedrooms than they require;
- Where an applicant is in urgent need, but the supply of suitable properties is limited, they may be considered for and offered properties with more bedrooms than they require;



- Where an applicant is homeless, but the supply of suitable properties is limited, they may be considered for and offered properties with more bedrooms than they require.
- Where pregnancy or the age of household members mean that the household would qualify for a larger property within a reasonable period of time, applicants may be allowed to register for properties which they would currently under-occupy.

In each case an affordability assessment will be made and the applicant's ability to afford the rent would be taken into account in determining whether to offer the property.

- 13.4. Applicants who require an additional bedroom for a non-resident carer will normally be registered for properties with an additional bedroom.

## 14. Who Can Be Considered As Part of The Household

- 14.1. When assessing an application the partners will consider the circumstances of the household. A household is considered to be:

- Persons who are part of the household at the date of registration, or at the start of the tenancy in the case of existing tenants, and are still in occupation
- Partners who are living together in a relationship
- Children born since the registration date, or the start of the tenancy, or other dependent children joining the household where the applicant or tenant is the principal carer of the child. Evidence will need to be produced to confirm dependent relationship(s). Tenants must inform the organisation of any change to their household
- An adult relative who has become a member of the household because they are in need of support and cannot live independently. (this also applies to transfer applications)
- Housing applications from partners who are not living together due to lack of space in either of their accommodations will be considered as a household with both accommodations being taken into account when assessing the application

## 15. Offers and refusals

- 15.1. Applicants have a choice as to whether to accept an offer of a property. If a property is refused without good reason, housing options will contact the applicant to discuss their reasons. If as a result of two unreasonable refusals, it is considered that the applicant's requirements are unlikely to be met, the applicant will be removed from the register, subject to right to review. They will be notified of this decision and the grounds in writing and of their right to review. Where necessary, this notification will be done in an alternative language or form. Any re-application may be given reduced priority.

- 15.2. Applicants owed a duty under homelessness legislation may be offered a property which falls outside their preferred options. Such offers will be made in line with the relevant statutory procedures. If such a reasonable offer is refused, then the applicant may have their priority within this policy reduced, in line with the section on reduced priority. In these circumstances applicants are entitled to a time limited review and if this found in their favour, they would be reinstated.

## 16. Removal from the register

- 16.1. Under certain circumstances, applicants may be removed from the register. These are as follows:
- 16.2. Applicants who have provided false or misleading information or failed to disclose information relevant to their application. In these cases applicants will be asked to complete a new application. The date of this application will be taken and they may be given reduced preference for this new application, as stated above
- 16.3. Applicants who have refused two reasonable offers. In this case they will be removed from the register and if they re-apply may be given reduced priority.
- 16.4. Applicants who fail to respond to correspondence including offer letters within the set response times. These applicants will be removed from the register through a formal notification and appeal process.

## 17. Local Lettings Policies

- 17.1. The policy recognises that partners may wish to include policies designed to tackle local housing issues through the use of local letting policies.
- 17.2. All local lettings policies will be based on a sound evidence base and will be developed after a robust assessment of this evidence base has been carried out.
- 17.3. Examples of local housing issues which may require local lettings policies include:
- concentrations of deprivation
  - under occupation
  - overcrowding
  - facilitating tenant employment through job related moves
  - the needs and sustainability of rural communities, for example where affordability of housing is an issue.
  - allowing transfers for existing social tenants even where they do not have reasonable preference.
  - Some properties, usually in defined locations, can only be let subject to additional occupation criteria as they are subject to a Planning Obligation under s106 of the Town and Country Planning Act 1990.
  - Regeneration areas
  - Large new developments

- 17.4. The development of local lettings policies will follow the protocol which accompanies this policy and may be modified from time to time. This protocol and local lettings policies will be reviewed and monitored via a mechanism set up by the partner organisations.

## 18. Monitoring and review of Allocations policy

- 18.1. The operation of the policy will be monitored on an on-going basis. It will also be subject to an annual review. Where appropriate, recommendations for alterations will be submitted for approval. These would then have to be ratified by each partner before being adopted.

## 19. Reviews and appeals

- 19.1. An applicant has the right to be informed, upon request, of any decision about the facts of their case which is likely to be, or has been, taken into account in considering whether to allocate housing accommodation to them.
- 19.2. An applicant has the right to request a review of any decision made in relation to their housing application, including:
- (a) any decision about the facts of their case which is likely to be, or has been, taken into account in considering whether to allocate housing accommodation to them;
  - (b) any decision as to their eligibility for the allocation of social housing;
  - (c) any decision as to the assessment of their application in relation to the banding scheme;
  - (d) any decision made in relation to removing an applicant from the register in accordance with section 16;
  - (e) any decision in relation to reducing priority in accordance with section 12;
  - (f) any decision made by one of the local authority partners in relation to whether there is reason to believe that they are homeless or threatened with homelessness and, if so, any consequent decisions relating to eligibility for assistance, to any duties owed, to notifying or referring to another authority, to the suitability of accommodation offered or any other matter relevant to their housing application.
- 19.3. On a request for a review being duly made, the partners shall review the decision.
- 19.4. Applicants will be informed of the decision of the review and the grounds for it.

## Appendix: The Banding Scheme

The criteria for determining which band an applicant is placed in are set out below. All decisions taken will be consistent with this scheme.

### **BAND 1**

**This band applies to those applicants who meet the following criteria:**

- 1. They fall within one or more of the 5 reasonable preference categories set out in section 8 of this policy; AND**
- 2. They have an urgent housing need (as in the examples below); AND**
- 3. They have a local connection as defined in section 10 of this policy**

#### **Examples of Urgent Housing Need:**

##### **1. Urgent medical, welfare or disability related need**

Applicants whose household includes someone who:

- (a) has a medical condition which is life-threatening or likely to become so, and which is directly linked to their housing conditions and likely to improve with rehousing
- (b) has been assessed by the relevant practitioner as having a need to move urgently to an accessible property.
- (c) Has a serious physical or mental illness, disability or medical condition or behavioural disorder, which is causing serious dysfunction to themselves or the family unit such that they are completely unable to cope in their present accommodation and re-housing would alleviate the problem. For example, terminal illness or advanced progressive condition.
- (d) Is hospitalised and is unable to return to their home as it is totally unsuitable for their long term needs by way of design, location and/or is unsuitable for disabled adaptations.
- (e) is disabled and unable to access essential facilities within the property e.g. bathing or WC, or access to the property itself is totally unsuitable. The property cannot be economically adapted to meet their needs.
- (f) needs to move to provide support to a relative or person with serious illness, disability or medical condition and that person can only cope in their present accommodation with the applicant's support.
- (g) is living in overcrowded accommodation which leaves the person vulnerable to serious infection, for example where they are suffering from late stage

HIV.

vidence will be required in these cases to support the validity of the claim

**2. Loss of home as result of a disaster:**

Awarded to applicants with a reasonable prospect of an accommodation offer within a relatively short period who suddenly and permanently lose their existing home as a result of a disaster.

**3. Leaving armed forces or serious injury whilst serving in armed forces:**

- (a) Any applicant who needs to move to suitable adapted accommodation because of a serious injury, medical condition or disability which he or she, or a member of their household, has sustained as a result of service in the Armed Forces.
- (b) People needing accommodation because of leaving the armed forces and the loss of military accommodation. People who have left the armed forces under Discharge as of Right (DAOR) are excluded from this provision and will not be given band one status under this category.

**4. People accommodated by the local authority in care or approved supported housing who are deemed ready to move on**

**5. Urgent cases where the household needs access to social housing to prevent a child from being taken into/remaining in care**

Examples include:

- (a) Foster parents who urgently need accommodation to take a child..
- (b) Cases where a child care plan has identified the need for accommodation to prevent the child being looked after by the authority (e.g. for child in need/looked after child/child protection).

**6. Existing tenants who are either under-occupying by one or more bedroom and wish to transfer to a smaller property or who are occupying an adapted property which they do not need, provided that one of the following applies:**

- **They are suffering financial hardship because of welfare reform;**
- **Their moving would release a property for someone in urgent need who would otherwise probably have to wait an unreasonably long time to be re-housed.**

**7. Homeless due to violence or threat of violence :**

Those owed a full homelessness duty as a result of violence or threats of violence likely to be carried out and who as a result require urgent re-housing including:

- (a) Victims of domestic or other violence;
- (b) Victims of hate incidents (including crimes and non-crimes in policing terms and this will cover victims of hate violence, threats of violence and hate harassment of any kind;

Witnesses of crime, or victims of crime, who would be at risk of intimidation amounting to violence or threats of violence if they remained in their current homes.

**8. Exceptional case of urgent need where the circumstances or the urgency of the circumstances are not dealt with elsewhere in this scheme.**

Such cases may or may not be transfer tenants. Each case will be judged, authorised and recorded according to the agreed procedure and regularly monitored.

**BAND 2**

**This band applies to those applicants who meet the following criteria:**

- 1. They fall within one or more of the 5 reasonable preference categories set out in section 8 of this policy; AND**
- 2. They have a local connection as defined in section 10 of this policy; AND**
- 3. They do not have an urgent housing need**

The only exception is that applicants who are intentionally homeless and entitled to reasonable preference will not be placed in band two even if they have a local connection, unless they fall within one of the other reasonable preference categories (i.e. categories 3, 4 or 5 in section 8)

**Examples of those who will fall within this band are as follows:**

- 1. Applicants who are homeless within the meaning of Part 7 of the Housing Act**

**1996, with the exception of applicants who have become homeless intentionally under the definition of intentionality contained in section 191 of the 1996 Act.**

This category includes homeless applicants both in priority need and not in priority need, provided they have not become homeless intentionally.

The definition of homelessness used is contained in sections 175-177 of the Housing Act 1996 Part 7. Under this definition a person who does not have accommodation which is legally and physically available to them to occupy and which is reasonable for them to occupy would be classed as homeless. This includes the following:

- Applicants who have no accommodation available to them where they can live with other people who normally live with them as a member of their family or other people who might reasonably be expected to live with them.
- Applicants who have accommodation available to them but the partners agree that it would not be reasonable for them to continue to occupy it.
- Applicants who have accommodation but they cannot secure access to it or, in the case of a moveable structure such as a caravan, there is no lawful place they can live in it.

People will be accorded this status depending on an assessment by the relevant local authority's homelessness team or the team of a contracted out service as applicable. Applicants who refuse a reasonable offer made to them under homelessness legislation may have their priority reduced.

**2. Applicants who are owed a duty by a local housing authority under section 193(2) or 195(2) of the Housing Act 1996, who are occupying accommodation secured by any such authority under section 192(3) of the 1996 Act, or who are unintentionally threatened with homelessness within 56 days and are in priority need.**

This category includes applicants who are:

- (a) unintentionally homeless and in priority need and who have been accepted as being owed a full duty under section 193(2);
- (b) unintentionally homeless and not in priority need but for whom accommodation has been made available by the authority under section

192(3);

- (c) unintentionally threatened with homelessness in the next 56 days and are in priority need (this includes those unintentionally threatened within 28 days, in priority need and owed a duty under section 195(2) of the 1996 Act).

This category does not include applicants who have become homeless, or are threatened with homelessness, intentionally.

People will be accorded this status depending on an assessment by the relevant local authority's homelessness team or the team of a contracted out service as applicable. Applicants who refuse a reasonable offer made to them under homelessness legislation may have their preference reduced.

### **3. Applicants suffering from unsatisfactory housing conditions**

This category includes the following:

- (a) Applicants whose current property:
  - (a) lacks a bathroom with facilities or the facilities are located in an insanitary location e.g. within kitchen;
  - (b) lacks a kitchen and/or appropriate facilities;
  - (c) lacks an inside W/C;
  - (d) lacks a hot or cold water supply to the property due to defect with the property;
  - (e) lacks an electrical supply due to defect with property;
  - (f) lacks a gas supply due to defect with property where such a supply is required to operate existing or necessary services such as heating.
- (b) Applicants who share facilities with occupiers who are not part of the applicant's household on a permanent basis. This applies to the sharing of a kitchen, bathroom/shower or toilet.
- (c) Applicants living in overcrowded housing. A housing situation is deemed to be overcrowded if it lacks at least one bedroom. This must be on a permanent basis. The following are taken to be minimum bedroom requirements:
  - a. A married couple or couple living together need one bedroom.
  - b. A married couple or couple living together with a child under 12 months need one bedroom.
  - c. A single person over the age of 16 or a single parent needs one bedroom (applicable to a single parent with a child under 12 months).



- d. A child 10-16 can only share a bedroom with a child of the same sex.
- (d) Applicants who have been referred by environmental health for re-housing because they are living in accommodation where category 1 hazards exist. Note that all customers residing in insanitary or hazardous housing will be referred to environmental health in order to resolve the problem and enable the customer to remain in their home. The person would only be referred for re-housing if, despite their best efforts, it is the opinion of environmental health that the problem cannot be resolved within a reasonable period of time.

**4. People who need to move on medical or welfare grounds (including grounds relating to disability)**

The following categories of applicant would qualify:

- a) Applicants whose household includes someone with a medical condition which is directly linked to unsuitable housing and where re-housing is necessary to significantly improve their health.
- b) Current accommodation presents access problems to a member of the household which have a detrimental impact on their welfare, which cannot be resolved in the current property and would be significantly alleviated if they were suitably re-housed. Such cases would be assessed by the relevant practitioner as requiring a move to an accessible property.
- c) Applicants whose household includes someone who has social care needs which are not being met and re-housing is necessary to significantly improve their care.

**5. People who need to move to a particular locality, where a failure to do so would cause hardship**

Cases include:

- a) It is unreasonable for the applicant to stay in their current property due to exceptional financial hardship.
- b) The applicant or member of their household is at risk of being admitted to residential care or hospital if re-housing is not made.
- c) The applicant needs to move due to relationship breakdown and there is a need to safeguard and promote the welfare of children associated.

- d) The applicant is a care leaver, vulnerable and has a high housing need that is best met by the provision of long term settled housing. Applicants must be a former 'relevant child' as defined by the Children Leaving Care Act 2000.
- e) The applicant or member of their household has permanent employment which cannot continue unless they live in a specific locality within the area and are otherwise adequately housed.
- f) The applicant is giving or receiving essential support, which can only be delivered if they live in a specific locality within the area.

**6. Exceptional case of housing need where the circumstances are not dealt with elsewhere in this scheme.**

Such cases may or may not be transfer tenants. Each case will be judged, authorised and recorded according to the agreed procedure and regularly monitored.

**AND 3**

**This band applies to those applicants who meet the following criteria:**

- 1. They fall within one or more of the 5 reasonable preference categories set out in section 8 of this policy; AND**
- 2. They have an urgent housing need; AND**
- 3. They do not have a local connection as defined in section 10 of this policy**

**Examples of urgent housing need are as follows:**

**1. Urgent medical, welfare or disability related need**

Applicants whose household includes someone who:

- (a) has a medical condition which is life-threatening or likely to become so, and which is directly linked to their housing conditions and likely to improve with rehousing
- (b) has been assessed by the relevant practitioner as having a need to move urgently to an accessible property.
- (c) Has a serious physical or mental illness, disability or medical condition or behavioural disorder, which is causing serious dysfunction to themselves or the family unit such that they are completely unable to cope in their present

accommodation and re-housing would alleviate the problem. For example, terminal illness or advanced progressive condition.

- (d) Is hospitalised and is unable to return to their home as it is totally unsuitable for their long term needs by way of design, location and/or is unsuitable for disabled adaptations.
- (e) is disabled and unable to access essential facilities within the property e.g. bathing or WC, or access to the property itself is totally unsuitable. The property cannot be adapted to meet their needs.
- (f) is living in overcrowded accommodation which leaves the person vulnerable to serious infection, for example where they are suffering from late stage HIV.

vidence will be required in these cases, in line with the agreed procedures, to support the validity of the claim

## **2. Loss of home as result of a disaster**

warded to applicants with a reasonable prospect of an accommodation offer within a relatively short period who suddenly lose their existing home as a result of a disaster.

## **3. Leaving armed forces or serious injury whilst serving in armed forces**

- (a) Any applicant who needs to move to suitable adapted accommodation because of a serious injury, medical condition or disability which he or she, or a member of their household, has sustained as a result of service in the Armed Forces.
- (b) People needing accommodation because of leaving the armed forces and the loss of military accommodation. People who have left the armed forces under Discharge as of Right (DAOR) are excluded from this provision and will not be given band one status under this category.

## **4. People accommodated by the local authority in care or approved supported housing who are deemed ready to move on**

## **5. Urgent cases where the household needs access to social housing to prevent a child from being taken into/remaining in care**

### **Examples include:**

- (a) Foster parents who urgently need accommodation to take a child. Cases where a child care plan has identified the need for accommodation to prevent the child being looked after by the authority (e.g. for child in need/looked after child/child protection).

**6. Exceptional case of urgent need where the circumstances or the urgency of the circumstances are not dealt with elsewhere in this scheme**

Such cases may or may not be transfer tenants. Each case will be judged, authorised and recorded according to the agreed procedure and regularly monitored.

**AND 4**

**This band applies to those applicants in either of the following cases:**

- a. **They fall within one or more of the 5 reasonable preference categories set out in section 8 of this policy AND they do not have a local connection as defined in section 10 of this policy AND they do not have an urgent housing need;**
- b. **They are intentionally homeless and have a local connection, but do not have an urgent housing need and, aside from being intentionally homeless, do not fall within any other reasonable preference category.**

**Examples of those who will fall within this band are as follows:**

- 1. Applicants who are homeless within the meaning of Part 7 of the Housing Act 1996.**

**This category includes homeless applicants both in priority need and not in priority need, and who are homeless either unintentionally or intentionally.**

The definition of homelessness used is contained in sections 175-177 of the Housing Act 1996 Part 7. Under this definition a person who does not have accommodation which is legally and physically available to them to occupy and which is reasonable for them to occupy would be classed as homeless. This includes the following:

- Applicants who have no accommodation available to them where they can live with other people who normally live with them as a member of their family or other people who might reasonably be expected to live with them.
- Applicants who have accommodation available to them but the partners agree that it would not be reasonable for them to continue to occupy it.
- Applicants who have accommodation but they cannot secure access to it

or, in the case of a moveable structure such as a caravan, there is no lawful place they can live in it.

People will be accorded this status depending on an assessment by the relevant local authority's homelessness team or the team of a contracted out service as applicable.

**2. Applicants who are owed a duty by a local housing authority under section 190(2), 193(2) or 195(2) of the Housing Act 1996 (or under section 65(2) or 68(2) of the housing Act 1985) or who are occupying accommodation secured by any such authority under section 192(3) of the 1996 Act.**

This category includes applicants who are:

- (a) unintentionally homeless and in priority need and who have been accepted as being owed a full duty under section 193(2);
- (b) unintentionally homeless and not in priority need but for whom accommodation has been made available by the authority under section 192(3);
- (c) threatened with homelessness in the next 28 days and owed a duty under section 195(2) of the 1996 act (i.e. have not intentionally become so threatened and are in priority need);
- (d) are owed a section 190(2) duty, have been assessed as being in priority need, but are intentionally homeless and have been provided with accommodation for a period of time to enable them to secure their own accommodation.

People will be accorded this status depending on an assessment by the relevant local authority's homelessness team or the team of a contracted out service as applicable.

**3. Applicants suffering from unsatisfactory housing conditions**

This category includes the following:

- (a) Applicants whose current property:
  - a. lacks a bathroom with facilities or the facilities are located in an

insanitary location e.g. within kitchen;

- b. lacks a kitchen and/or appropriate facilities;
  - c. lacks an inside W/C;
  - d. lacks a hot or cold water supply to the property due to defect with the property;
  - e. lacks an electrical supply due to defect with property;
  - f. lacks a gas supply due to defect with property where such a supply is required to operate existing or necessary services such as heating.
- (b) Applicants who share facilities with occupiers who are not part of the applicant's household on a permanent basis. This applies to the sharing of a kitchen, bathroom/shower or toilet.
- (c) A housing situation is deemed to be overcrowded if it lacks at least one bedroom. This must be on a permanent basis. The following are taken to be minimum bedroom requirements:
- a. A married couple or couple living together need one bedroom.
  - b. A married couple or couple living together with a child under 12 months need one bedroom.
  - c. A single person over the age of 16 or a single parent needs one bedroom. (applicable to a single parent with a child under 12 months).
  - d. A child 10-16 can only share a bedroom with a child of the same sex.
- (d) Applicants who have been referred by environmental health as residing in insanitary or hazardous housing posing a category 1 hazard, where it has been impossible for the environmental health department to satisfactorily resolve the issue.

Note that all customers residing in insanitary or hazardous housing will be referred to environmental health in order to resolve the problem and enable the customer to remain in their home. The person would only be referred for re-housing if, despite their best efforts, it is the opinion of environmental health that the problem cannot be resolved within a reasonable period of time.

#### **4. People who need to move on medical or welfare grounds (including grounds relating to disability)**

The following categories of applicant would qualify:

- a) Applicants whose household includes someone with a medical condition which is directly linked to unsuitable housing and where re-housing is necessary to significantly improve their health.
- b) Current accommodation presents access problems to a member of the household which have a detrimental impact on their welfare, which cannot be resolved in the current property and would be significantly

alleviated if they were suitably re-housed. Such cases would be assessed by occupational therapy as requiring a move to an accessible property. These cases will be managed through an accessible housing register.

- c) Applicants whose household includes someone who has social care needs which are not being met and re-housing is necessary to significantly improve their care.

**5. People who need to move to a particular locality, where a failure to do so would cause hardship**

Cases include:

- a) It is unreasonable for the applicant to stay in their current property due to exceptional financial hardship.
- b) Applicants who need to downsize because they are unable to afford their current property due to welfare reform.
- c) The applicant or member of their household is at risk of being admitted to residential care or hospital if re-housing is not made.
- d) The applicant needs to move due to relationship breakdown and there is a need to safeguard and promote the welfare of children associated.
- e) The applicant is a care leaver, vulnerable and has a high housing need that is best met by the provision of long term settled housing. Applicants must be a former 'relevant child' as defined by the Children Leaving Care Act 2000.

**6. Exceptional case of housing need where the circumstances are not dealt with elsewhere in this scheme.**

Such cases may or may not be transfer tenants. Each case will be judged, authorised and recorded according to the agreed procedure and regularly monitored.

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## Total Stock in County

		bedsit	1 bed flat	2 bed flat
E12	Abermorddu/Caergwrle	0	0	13
A10	Aston	0	0	0
G1	Bagillt	0	2	40
H3	Berthengam	0	0	0
D3	Bretton/Broughton	0	0	3
H4	Brynford	0	0	0
H5	Caerwys	0	0	0
H6	Carmel	0	0	0
F7	Cilcain	0	0	0
B1	Connahs Quay	9	99	33
C1	Buckley	11	81	68
E6	Cymau	0	0	0
C2	Drury/Dobshill	0	0	0
A7	Ewloe	0	0	0
H44	Ffynongroew	0	12	0
G10	Flint	0	28	49
A3	Garden City	0	6	6
H12	Greenfield	0	2	41
H13	Gronant	0	0	0
H14	Gwaenysgor	0	0	0
F15	Gwernaffield	0	0	0
F16	Gwernymynydd	0	0	0
H17	Gwespyr	0	0	0
H18	Halkyn	0	0	0
A9	Hawarden	0	0	0
H20	Holway	0	0	0
H	Holywell	1	56	35
E3	Hope	0	6	0
E2	Kinnerton	0	0	0
F25	Leeswood	0	0	0
H26	Lixwm	0	0	0
E10	Llanfynydd/Frith	0	0	0
A5	Mancot	0	1	4
F27	Mold & Mynydd Isa	0	123	27
H28	Mostyn	0	0	0
F30	Nannerch	0	0	0
F31	Nercwys	0	0	0
F32	New Brighton	0	0	0
F33	Northop	0	0	0
F34	Northop Hall	0	0	0
H35	Pentre Halkyn	0	0	0
E9	Penyffordd (Chester)	0	0	8
H36	Penyffordd (Holywell)	0	0	0
F37	Pontblyddyn	0	0	0
E7	Pontybodkin	0	0	0

A4	Queensferry	0	22	9
H38	Rhes Y Cae	0	0	0
H39	Rhosesmor	0	0	0
F45	Rhydymwyn	0	0	0
D1	Saltney	0	0	11
D4	Saltney Ferry	0	0	0
A6	Sandycroft	0	0	0
A2	Sealand	0	10	36
A1	Shotton	0	54	38
F40	Sychdyn	0	0	0
H41	Trelawnydd	0	0	0
E5	Treuddyn	0	0	0
H42	Whitford	0	0	0
H43	Ysceifiog	0	0	0
	<b>Totals</b>	<b>21</b>	<b>502</b>	<b>421</b>

	3 bed flat	2 bed house	3 bed house	4 bed house	4+ bed houses	Over 55 1 bed	Over 55 2 bed	1 bed sheltered	2 bed sheltered
	0	25	81	0	0	41	5	21	0
	0	0	3	0	0	0	0	0	0
	0	31	128	6	1	12	1	71	3
	0	5	19	0	0	0	0	0	11
	0	40	150	2	0	32	0	27	2
	0	0	17	0	0	0	0	0	22
	0	2	8	1	0	0	0	13	26
	0	0	2	0	0	2	4	0	0
	0	0	2	0	0	0	8	0	0
	1	207	365	8	0	31	6	227	29
	6	56	351	14	2	59	7	223	7
	0	0	9	6	0	5	0	0	0
	0	1	0	0	0	0	0	0	0
	0	0	33	0	0	0	0	47	11
	0	0	0	0	0	0	5	0	0
	1	110	460	9	1	16	31	128	291
	0	16	112	6	0	9	0	14	0
	9	38	166	0	0	6	3	38	25
	0	7	46	1	0	0	0	0	53
	0	0	5	0	0	0	8	0	0
	0	0	16	1	0	0	0	0	32
	0	0	10	0	0	0	0	3	17
	0	0	11	0	0	0	7	0	0
	0	0	2	0	0	0	0	21	0
	0	10	65	4	0	19	0	0	0
	0	7	116	0	3	0	14	0	0
	9	61	208	19	1	0	0	119	18
	0	8	20	0	0	0	0	0	0
	0	0	8	0	0	12	0	0	0
	0	44	47	7	0	0	0	17	19
	0	0	1	0	0	0	0	0	14
	0	3	11	0	0	4	0	0	0
	0	33	87	0	0	12	0	76	33
	2	146	351	20	0	27	12	63	15
	0	43	79	14	0	0	9	16	68
	0	1	0	0	0	0	6	0	0
	0	1	5	0	0	0	0	8	4
	0	6	34	0	0	0	0	0	20
	0	0	21	0	0	0	0	5	18
	0	0	14	1	0	4	4	0	25
	0	7	17	0	0	0	0	0	28
	0	1	37	0	0	17	5	19	0
	0	16	49	0	0	0	0	0	21
	0	0	0	0	0	0	0	0	0
	0	13	2	0	0	0	0	0	0

0	39	90	7	0	26	2	0	0
0	0	1	0	0	0	4	0	0
0	3	4	0	0	0	0	0	32
0	2	13	0	0	0	0	2	21
0	100	317	12	1	17	0	78	0
0	0	0	0	0	0	0	0	0
0	14	34	1	0	30	5	0	0
0	95	80	0	0	7	0	18	1
0	59	241	24	0	64	6	134	2
0	1	9	0	0	0	12	0	0
0	1	13	0	0	0	0	6	24
0	55	37	8	0	0	0	29	0
0	2	2	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0
<b>28</b>	<b>1309</b>	<b>4009</b>	<b>171</b>	<b>9</b>	<b>452</b>	<b>164</b>	<b>1423</b>	<b>892</b>

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **COMMUNITY & ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **WEDNESDAY 7<sup>TH</sup> OCTOBER, 2015**

**REPORT BY:** **COMMUNITY & ENTERPRISE OVERVIEW & SCRUTINY FACILITATOR**

**SUBJECT:** **FORWARD WORK PROGRAMME**

### **1.00 PURPOSE OF REPORT**

1.01 To consider the Forward Work Programme of the Community & Enterprise 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. Is it an area of major change or risk?
3. Are there issues of concern in performance?
4. Is there new Government guidance or legislation?
5. Have inspections been carried out? Is it prompted by the work carried out by Regulators/Internal Audit
6. 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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**CURRENT FWP**

Date of meeting	Subject	Purpose of Report	Scrutiny Focus	Report Author	Submission Deadline
<b>4 November, 2015</b>	<b>Delivery and outcomes of recent Regeneration Programmes</b>	For Member review of the delivery and outcomes of the Vibrant and Viable Places programme, Communities First programme and European funding programmes	Assurance/Monitoring	Service Manager Enterprise, and Regeneration Programmes	
	<b>Growing the Local Economy</b>	To seek Member support in the Council's vision to grow the local economy in towns and rural areas. To include information on the work of the Mersey Dee Alliance, Economic Ambition Board, and Deeside Enterprise Board.	Consultation / Monitoring	Service Manager Enterprise, and Regeneration Programmes	
	<b>Local Lettings policy</b>	To consider options and proposals to develop Local Lettings policies for new council housing	Consultation	Service Manager Housing Programmes	
	<b>New Homes Business Plan</b>	To seek Members support for the revised New Homes Business Plan	Consultation	Service Manager Housing Programmes	

<p><b>9 December, 2015</b></p>	<p><b>Q2 - Mid Year Improvement Plan Monitoring Report and Chief Officer Performance Report.</b></p>	<p>To enable Members to fulfil their scrutiny role in relation to performance monitoring.</p>	<p>Assurance/Monitoring</p>	<p>Community &amp; Enterprise Facilitator</p>	
	<p><b>Flintshire Business Week 2015</b></p>	<p>To report on the outcomes of Flintshire Business Week</p>	<p>Assurance/Monitoring</p>	<p>Service Manager Enterprise, and Regeneration Programmes</p>	
	<p><b>Service Charges and Council Housing</b></p>	<p>To consider the outcomes and next steps following the consultation exercise completed about proposals to introduce service charges for existing council tenants</p>	<p>Consultation</p>	<p>Service Manager Council Housing</p>	
<p><b>12 January, 2016</b></p>	<p><b>Housing Revenue Account draft budget and Rent Increase</b></p>	<p>To provide the Committee with the draft HRA budget and proposed rent increase</p>	<p>Consultation</p>	<p>Community &amp; Enterprise Facilitator</p>	
	<p><b>Housing (Wales) Act 2014 – Homelessness</b></p>	<p>To review the implementation of the Housing (Wales) Act 2014 and how the Council undertakes its new homelessness prevention statutory duty</p>	<p>Assurance/Monitoring</p>	<p>Service Manager Customer Support</p>	



	<b>Supporting People - Local Commissioning Plan</b>	To enable the Committee to consider appropriate measures to manage reductions within the Supporting People Programme Grant to protect service delivery as much as possible.	Consultation	Service Manager Customer Support	
	<b>Council Tax Reduction Scheme</b>	To seek the adoption of the Council Tax Reduction Scheme for 2016/2017	Consultation	Income Manager	
	<b>Introduction of Council Tax Premium for empty and second homes</b>	To seek the introduction of a local scheme to charge council tax premiums for long term empty property and second homes.	Consultation	Service Manager Enterprise, and Regeneration Programmes	
	<b>Council Tax &amp; Business Rate Statutory Policies</b>	To ratify annual policies for the financial year 2016-17 that determine discount schemes and administrative arrangements	Consultation	Income Manager	
<b>10 February, 2016</b>	<b>Purchase of ex council stock</b>	To consider proposals and criteria for the repurchase of ex council property	Consultation	Chief Officer (Community & Enterprise)	

<b>16 March 2016</b>	<b>Quarter 3 - Improvement Plan Monitoring Report</b>	To enable Members to fulfil their scrutiny role in relation to performance monitoring.	Assurance/Monitoring	Community & Enterprise Facilitator	
	<b>Review of the Fair Debt Policy</b>	To review the impact of the Fair Debt Policy previously approved by Cabinet.	Assurance/Monitoring	Community & Enterprise Facilitator	
<b>27 April, 2016</b>	<b>Improvement Plan 2016/17</b>	To consult with Members on the Improvement Plan 2016/17	Assurance/Monitoring	Chief Officer (Community & Enterprise)	
	<b>Welfare Reform – Including Universal Credit</b>	To update Members on the impact and risks of Welfare Reform and the cost to the Council.	Assurance/Monitoring	Chief Officer (Community & Enterprise)	
	<b>NEW Homes</b>	To review the performance of NEW Homes	Assurance/Monitoring	Chief Officer (Community & Enterprise)	
	<b>Strategic Housing and Regeneration Project (SHARP)</b>	To review progress on the Strategic Housing and Regeneration Project (SHARP)	Assurance/Monitoring	Chief Officer (Community & Enterprise)	
<b>8 June, 2016</b>	<b>Q4 – Year End Improvement Plan Monitoring Report and Chief Officer Performance Report.</b>	To enable Members to fulfil their scrutiny role in relation to performance monitoring.	Assurance/Monitoring	Community & Enterprise Facilitator	

	<b>Use of Commuted Sums</b>	To enable the Committee to review the use of Commuted Sums	Assurance/Monitoring	Chief Officer (Community & Enterprise)	
13 July, 2016					

**REGULAR ITEMS**

<b>Month</b>	<b>Item</b>	<b>Purpose of Report</b>	<b>Responsible / Contact Officer</b>
<b>Quarterly / Annual</b>	<b>Performance Reporting</b>	To consider performance outturns for improvement targets against directorate indicators.	Chief Officer (Community and Enterprise)
<b>Six monthly</b>	<b>HRA Business Plan &amp; WHQS</b>	To update Members on progress made in meeting the WHQS and HRA business plan budget efficiencies	Chief Officer (Community and Enterprise)
<b>Six monthly</b>	<b>Welfare Reform Update – including Universal Credit</b>	To update Members on the impact of Welfare Reform and the cost to the Council.	Chief Officer (Community and Enterprise)
<b>Six monthly</b>	<b>Update on North East Wales Homes &amp; Property Management</b>	To update Members on the work of the North East Wales Homes & Property Management	Chief Officer (Community and Enterprise)
<b>Annually</b>	<b>Delivery of the Regeneration Programmes</b>	To seek Member support in the delivery of the Vibrant and Viable Places programme, Communities First programme and how European funding is spent	Chief Officer (Community and Enterprise)
	<b>HRA Efficiencies</b>	To enable the Committee to monitor progress in meeting proposed HRA Efficiencies.	Chief Officer (Community and Enterprise)
	<b>HRA Subsidy Risk Register</b>	To enable the Committee to monitor ongoing risks following the introduction of self-financing for the HRA.	Chief Officer (Community and Enterprise)

By virtue of paragraph(s) 13 of Part 4 of Schedule 12A  
of the Local Government Act 1972.

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