

# Public Document Pack



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To: Cllr Ron Hampson (Chairman)

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

7 April 2016

Dear Councillor

You are invited to attend a meeting of the Community and Enterprise Overview & Scrutiny Committee which will be held at 10.00 am on Wednesday, 13th April, 2016 in the Delyn Committee Room, County Hall, Mold CH7 6NA to consider the following items

## A G E N D A

### 1 APOLOGIES

**Purpose:** To receive any apologies.

### 2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

**Purpose:** To receive any Declarations and advise Members accordingly.

### 3 MINUTES (Pages 3 - 8)

**Purpose:** To confirm as a correct record the minutes of the meeting held on 16 March 2016 (copy enclosed).

### 4 NEW HOMES BUSINESS PLAN 2016/21 (Pages 9 - 62)

Report of Chief Officer (Community and Enterprise) enclosed. Portfolio of Cabinet Member for Housing.

**Purpose:** To review the performance of New Homes

5 **HOUSING (WALES) ACT 2014** (Pages 63 - 72)

Report of Chief Officer (Community and Enterprise) enclosed. Portfolio of Cabinet Member for Housing.

**Purpose:** To review the implementation of the Housing (Wales) Act 2014 and how the Council undertakes its new homelessness prevention statutory duty

6 **COMMUNITIES FIRST** (Pages 73 - 78)

Report of Chief Officer (Community and Enterprise) enclosed. Portfolio of Cabinet Member for Economic Development.

**Purpose:** To update Members on areas applicable for Communities First funding, the most deprived areas of Flintshire and information on the Communities 4 Work Programme.

7 **FORWARD WORK PROGRAMME** (Pages 79 - 86)

Report of Community and Enterprise Overview & Scrutiny Facilitator enclosed.

**Purpose:** The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Community & Enterprise Overview & Scrutiny Committee.

Yours faithfully



Peter Evans  
Democracy & Governance Manager

**COMMUNITY AND ENTERPRISE**  
**OVERVIEW AND SCRUTINY COMMITTEE**  
**16 MARCH 2016**

Minutes of the meeting of the Community and Enterprise Overview and Scrutiny Committee of the Flintshire County Council held in the Delyn Committee Room, County Hall, Mold, on Wednesday, 16 March 2015

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

Councillors: David Cox, Paul Cunningham, Peter Curtis, Ron Davies, Rosetta Dolphin, Ian Dunbar, Jim Falshaw, George Hardcastle, Brian Lloyd, Sara Parker, Mike Reece and Gareth Roberts

**APOLOGY:** Councillor Ray Hughes

**CONTRIBUTORS:**

Councillor Aaron Shotton (Leader and Cabinet Member for Finance), Councillor Derek Butler (Cabinet Member for Housing), Councillor Helen Brown (Cabinet Member for Housing), Chief Officer (Community & Enterprise), Service Manager Enterprise and Regeneration Programmes, Service Manager Council Housing Services, Services Manager Customer Support, and Service Manager Housing Programmes

**IN ATTENDANCE:**

Community & Enterprise and Education & Youth Overview and Scrutiny Facilitator and Committee Officer

**78. DECLARATIONS OF INTEREST**

No declarations of interest were made.

**79. MINUTES**

- (i) The minutes of the meeting of the Committee held on 17 December 2015 had been circulated to Members with the agenda.
- (ii) The minutes of the meeting of the Committee held on 15 January 2016 had been circulated to Members with the agenda.

**Matters arising**

Councillor Mike Reece asked for an update on the installation of solar panels in Council properties in Flintshire. The Chief Officer (Community & Enterprise) explained that it was intended to expand the scheme across the County, subject to funding, however, priority had been given to properties which would achieve the most benefit in the first instance.

- (ii) The minutes of the meeting of the Committee held on 10 February 2016 had been circulated to Members with the agenda.

### Matters arising

In response to a query from Councillor George Hardcastle the Services Manager Customer Support gave an update on developments concerning provision for males fleeing domestic abuse across the North Wales region.

### **RESOLVED:**

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

## **80. REGIONAL ECONOMY**

The Chief Officer (Community & Enterprise) introduced a report on progress at local, regional and sub-regional level to grow the economy and increase prosperity for Flintshire. She gave an overview of the report and referred to the main considerations concerning the Economic Ambition Board, Mersey Dee Alliance, LEP Growth Bid, and Northern Powerhouse. The Chief Officer advised that work would continue towards developing a role and influence in both LEP and Northern Powerhouse and to work collaboratively across North Wales to achieve mutually beneficial economic growth.

Councillors Aaron Shotton and Derek Butler, commented on the real opportunities and significant risks if Flintshire was not a part of the Mersey Dee spatial element of the Cheshire and Warrington Local Enterprise growth proposal. Councillor Shotton emphasised the need to lobby the case with the Welsh Government (WG) for Flintshire to have parity powers and commented on the need to support the work to influence and develop; the contribution North Wales can make to the Northern Powerhouse. Councillor Shotton suggested that the Committee continued to develop its forward work programme and receive an update on the Economic Ambition Board at a future meeting.

Councillor Paul Cunningham commented on the concerns which had been raised during a recent meeting of the Education and Youth Overview & Scrutiny Committee regarding the range of languages being offered in schools and the Post 16 Education Centre, and said this could have an impact on Flintshire's future development in relation to attracting business to the Deeside Enterprise Zone.

Councillor Peter Curtis raised concerns around local regeneration and commented on the need to ensure sustainability of small towns in the long term. It was suggested that a report on 'Town Centre Regeneration' be added to the forward work programme to be submitted to a future meeting.

Councillor Rosetta Dolphin raised further concerns around the need for good transport infrastructure and connectivity.

Councillor Mike Reece proposed that a letter be sent to the WG on behalf of the Committee outlining the need for a Member of the Council to be appointed to the Deeside Enterprise Zone Board.

**RESOLVED:**

- (a) That the ongoing work to ensure that Flintshire can both, continue to and gain from the Mersey Dee spatial part of the Cheshire and Warrington Local Enterprise growth proposal, be supported;
- (b) That the work to influence and develop the contribution North Wales can make to the Northern Powerhouse, be supported; and
- (c) That a letter be written to the Welsh Government outlining the Committee's support for a Member of Flintshire County Council to be appointed to the Deeside Enterprise Zone Board.

**81. QUARTER 3 IMPROVEMENT PLAN MONITORING REPORTS**

The Chief Officer (Community and Enterprise) introduced a report to present the monitoring of progress for the third quarter of 2015/16 focusing on the areas relevant to the Community & Enterprise Overview & Scrutiny Committee. She advised that the monitoring report gave an explanation of the progress being made towards the delivery of the outcomes set out in the 2015/16 Improvement Plan.

The Service Manager Enterprise and Regeneration Programmes, the Service Manager Council Housing Services, the Services Manager Customer Support, and the Service Manager Housing Programmes presented the work undertaken to improve performance in their respective areas as detailed in appendices 1 to 3 of the report.

The Chairman thanked Officers for their detailed reports and invited Members to raise questions.

Councillor Rosetta Dolphin raised a number of concerns around Disabled Facilities Grants, and the 'full house approach' and bathroom installations. In response to a query around provision for homeless people and the number of Flintshire people being referred to the Night Shelter in Wrexham the Community Support Services Manager said she would provide figures to Councillor Dolphin following the meeting.

Councillor George Hardcastle asked how many homeless people were currently on the register and how many people/families were in Bed & Breakfast accommodation. The Community Support Services Manager said there were currently none in bed and breakfast accommodation but would verify this following the meeting and report back to Councillor Hardcastle. She also explained that a report would be submitted to the next meeting of the Committee on all the issues and housing solutions.

During discussion Officers responded to the further queries and concerns raised by Councillor Ian Dunbar. In response to Councillor Dunbar's question concerning Town and Rural Regeneration, the Service Manager Enterprise and Regeneration Programmes advised that nine businesses had formally signed up to the Deeside Shop Front grant scheme but none had reached the offer stage. This was mainly due to the time taken in completing the applications and gathering information. An agent had been appointed to assist the businesses in future, which would speed up the process going forward.

**RESOLVED:**

That the report be noted.

**82. FORWARD WORK PROGRAMME**

The Community & Enterprise and Education & Youth Overview & Scrutiny Facilitator introduced the report to consider the Forward Work Programme for the Committee.

The Facilitator explained that following consultation with the Chair, it was proposed to move the meeting scheduled for 27 April 2016 to 9 May 2016. This was agreed by the Committee. The Committee also approved the proposed changes to the items being submitted to the 13 April 2016 and 9 May 2016 meetings and it was agreed that the following items would be submitted to the meetings scheduled below:-

13 April 2016

- NEW Homes
- Community First
- Housing (Wales) Act 2014 – Homelessness

9 May 2016

- SHARP
- WHQS
- Review of Fair Debt Policy

Given the number of changes, it was agreed that the Facilitator would circulate an updated forward work programme to the Committee following the meeting.

The Facilitator advised that the Committee were invited to attend the next Planning Strategy Group to take part in the Gypsy and Traveller Study item, it was agreed that details of the meeting would be e-mailed to the Committee following the meeting.

**RESOLVED:**

That subject to the amendments listed above, the forward work programme be approved

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

**RESOLVED:**

That the press and public be excluded for the remainder of the meeting for the following items by virtue of exempt information under paragraph(s) 15 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

**84. COUNCIL HOUSING SERVICE – HOUSING MANAGEMENT RESTRUCTURE**

The Service Manager Council Housing introduced a report on a new staffing structure required to deliver the Housing Management function which forms part of the Council Housing Service of the Community & Enterprise Portfolio. He explained that the proposed structure aimed to transform service delivery making it more efficient, effective and better value for money by refocusing the service on letting homes, tenancy enforcement and sustainment, neighbourhood management and engagement. The proposed structure would help build resilience within the team by offering the flexibility to respond to any capacity and demand issues.

The Service Manager referred to the key considerations as detailed in the report. Members were asked to consider the proposed Housing Management staffing structure as outlined in appendix 2 to the report prior to submission to Cabinet.

Councillor George Hardcastle asked how many solar panels had been installed across Flintshire. The Senior Manager Council Housing Services agreed to provide this information following the meeting.

Councillor Ron Hampson raised concerns over the waiting times for inspections to properties within his ward. The Senior Manager Council Housing Services agreed to speak to Councillor Hampson regarding this matter following the meeting.

Councillor Rosetta Dolphin requested that the names and contact numbers of officers be provided to Members. The Senior Manager Council Housing Services agreed to provide this information when the restructure had been completed.

Councillor Mike Reece asked if a 'meet and greet' for officers and Members could be arranged. Councillor Helen Brown agreed for this to be organised when the restructure was completed.

**RESOLVED:**

That the Housing Management staffing structure, as set out in the report, be supported.

**85. HOUSING PROGRAMMES RESTRUCTURE**

The Service Manager Housing Programmes introduced a report on a proposed staffing structure designed to develop and implement an innovative and responsive Housing Strategy and linked policy initiatives to emerging housing themes across Flintshire which includes the effective management and delivery of key Housing Programmes. The Service Manager Housing Programmes reported on the main considerations as detailed in the report and referred to the housing programmes restructure. Members were asked to consider the proposed staffing structure produced to meet the requirements of the Housing Programmes Division, which was appended to the report.

**RESOLVED:**

That the staffing structure for the Housing Programmes team, as set out in the report, be supported.

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

There were no members of the press or public in attendance.

(The meeting started at 2.00 pm and ended at 4.58 pm)

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**Chairman**





## COMMUNITY & ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	13 <sup>th</sup> April 2016
<b>Report Subject</b>	NEW Homes Business Plan 2016/21
<b>Cabinet Member</b>	Cabinet Member for Housing
<b>Report Author</b>	Chief Officer, (Community & Enterprise)
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

This report updates the Committee on the second full year of operation of North East Wales (NEW) Homes and the progress it has made against the 2015/20 Business Plan and Growth Strategy.

The report details progress and performance against projections made to increase its housing portfolio, through Section 106 properties, Strategic Housing And Regeneration Programme (SHARP) and financial borrowing,

It also provides analysis of the properties within its management and Over 55's housing offer, along with recent impact of the Rent Smart Wales scheme.

Finally, it will provide information on a projected operating surplus of £33K for 2015/16.

### RECOMMENDATIONS

1	<p>Community and Enterprise Overview and Scrutiny Committee are asked to consider and give their views on;</p> <ul style="list-style-type: none"> <li>• Progress made by NEW Homes to date against its Business Plan</li> <li>• NEW Homes future Growth Strategy projections and proposals.</li> </ul>
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## **REPORT DETAILS**

<b>1.00</b>	<b>BACKGROUND</b>
1.01	This report updates the Community and Enterprise Scrutiny Committee on the second full year of operation of North East Wales Homes (NEW) Homes and progress made against the Business Plan and Growth Strategy 2015/20.
1.02	<p>North East Wales Homes begun trading on the 3rd April 2014. The company has the following agreed Corporate Objectives:</p> <ul style="list-style-type: none"><li>• To increase the range of housing options for the “squeezed middle” housing market;</li><li>• To provide a competitive offer to landlords to encourage growth of the private rented sector;</li><li>• To use the income derived from Company assets and activity to help meet the need for affordable housing;</li><li>• To increase access to affordable housing;</li><li>• To provide a professional service with financial stability for NEW homes;</li></ul>
<b>1.03</b>	<b>NEW Homes Governance</b>
1.04	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 Elected Members, 1 Council Officer and 3 Independent Members with equal voting rights.
1.05	The role of the Board to date has been to oversee operational and financial development against the three year business plan, oversee the development of all policies and procedures, set the marketing and promotion strategy and develop a longer term growth strategy to fulfil the mission as laid out in the business plan.
<b>1.06</b>	<b>NEW Homes Business Plan and Growth Strategy 2015/20</b>
1.07	Following approval by the NEW Homes Board in May 2015, the proposals and projections made in the Business Plan and Growth Strategy 2015/20 were presented to the Community and Enterprise Committee in June 2015 for consideration and assurance prior to Cabinet approval in June 2015.
1.08	The Business Plan and Growth Strategy 2015/20 (Appendix 1) 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.																									
1.09	NEW Homes currently does not employ its own staff so council staff have worked to set up and deliver the operational functions including the property management, repairs, marketing and financial and legal functions. The council recharges the company for this staff time.																									
1.10	<b>Considerations</b>																									
1.11	The most recent Operational and Financial updates are attached at Appendix 2a and 2b respectively. These show the progress of the three main portfolio areas against the projections in the Business Plan.																									
1.12	<b>New-Build Properties secured through Section 106 Agreement</b>																									
1.13	<p>During 2015/16 NEW Homes received 6 new build properties 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. Currently NEW Homes has 21 units under this portfolio and this forms a profitable element of the company's stock portfolio. A further 10 are due during 2016 and detailed below.</p> <table border="1"> <thead> <tr> <th>Location</th> <th>Developer</th> <th>House Type</th> <th>Original Projected Transfer Date</th> <th>Actual / Pending Transfer Date</th> </tr> </thead> <tbody> <tr> <td>St Mary's Drive, Northop Hall</td> <td>Anwyl</td> <td>3 x 2 Bed Houses</td> <td>February 2016</td> <td>June 2016</td> </tr> <tr> <td>High Street, Saltney</td> <td>Edwards Homes</td> <td>4 x 2 Bed Houses</td> <td>March 2016</td> <td>November 2016</td> </tr> <tr> <td>Cymau Lane, Abermorddu</td> <td>Anwyl</td> <td>3 x 2 Bed Houses</td> <td>June 2016</td> <td>June 2016</td> </tr> <tr> <td>Total</td> <td></td> <td>10</td> <td></td> <td></td> </tr> </tbody> </table>	Location	Developer	House Type	Original Projected Transfer Date	Actual / Pending Transfer Date	St Mary's Drive, Northop Hall	Anwyl	3 x 2 Bed Houses	February 2016	June 2016	High Street, Saltney	Edwards Homes	4 x 2 Bed Houses	March 2016	November 2016	Cymau Lane, Abermorddu	Anwyl	3 x 2 Bed Houses	June 2016	June 2016	Total		10		
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1.14	Members will note the transfer of properties at High Street, Saltney have been delayed until November 2016. There is a tendency for developers to delay the affordable housing provision until the last part of the scheme. This is understandable to some extent, as this enables the developer to generate the necessary funds to subsidise the affordable housing provision. NEW Homes has been powerless to influence the handover of																									

	these properties which can create difficulties for NEW Homes to develop meaningful business planning projections.																
1.15	<p>More recently however, NEW Homes is working closely with private developers and Planning colleagues at scheme development and pre-planning approval stage to influence when any “gifted” properties will be coming forward on future schemes, and to undertake detailed site and options appraisal works, legal searches and to confirm required mix of housing.</p> <p>The involvement of legal colleagues is important at an early stage to identify any potential long-term maintenance issues which NEW Homes will wish to avoid wherever possible e.g. Street lighting, adoption of roads and footpaths, easements etc.</p>																
1.16	Another positive development is the adoption of the Cabinet-approved Flintshire House Standard for all Section 106 properties. This provides developers with guidance on expected standards and specifications for all new properties to be delivered through this route. The Housing Standard forms a benchmark to ensure consistent, good quality of internal layout, and fixtures and fittings, high standards of energy efficiency and external appearance in keeping with local circumstance, low maintenance product specifications, adequate parking and a public realm designed to promote cohesive and inclusive communities.																
1.17	<b>Strategic Housing And Regeneration Programme (SHARP)</b>																
1.18	The number of affordable homes managed by NEW Homes will continue to grow in future years through Flintshire’s Strategic Housing And Regeneration Programme (SHARP).																
1.19	<p>The first of these properties are proposed for The Walks, Flint which will see 62 affordable properties being built on the site of the former council maisonettes as part of a joint development with the Council. The proposed property mix is below:</p> <table border="1" data-bbox="560 1489 1118 1834"> <thead> <tr> <th colspan="2">Mix and tenure</th> </tr> <tr> <th>Council</th> <th>Affordable</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>6</td> </tr> <tr> <td>2</td> <td>18</td> </tr> <tr> <td>18</td> <td>23</td> </tr> <tr> <td>6</td> <td>15</td> </tr> <tr> <td><b>30</b></td> <td><b>62</b></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	Mix and tenure		Council	Affordable	4	6	2	18	18	23	6	15	<b>30</b>	<b>62</b>		
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1.20	The Council properties will be managed within the Housing Revenue Account (HRA), whilst the affordable properties will be managed by NEW Homes. A joint management strategy for the scheme will be developed between the Council’s Housing Management Team and NEW Homes to ensure that robust working practices are in place for the allocation, tenancy management and repairs services to all residents living on the scheme moving forward.																

1.21	Detailed information on scheme design, layout, costs, funding and management arrangements will be presented to the Community And Enterprise Committee in late April 2016, prior to Cabinet consideration in May 2016.
1.22	<b>Private Borrowing</b>
1.23	During the last twelve months NEW Homes has been exploring opportunities for it to borrow against unencumbered assets either from the private market directly or from the council, to grow its stock in ownership and management. This includes potentially developing proposals to purchase Section 106 properties where there is a proven demand.
1.24	Advice has been taken from Warrington Borough Council which has been lending to Housing Associations for housing development for some time. It is possible that the Council may be able to follow Warrington's example and lend to NEW Homes, 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 housing need.
1.25	It is projected that 8 properties will be realised through private borrowing during 2016/17.
1.26	<b>Management Offer</b>
1.27	NEW Homes manages and lets property on behalf of landlords who own 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 (subject to annual review). NEW Homes has grown this portfolio to 34 properties to date.
1.28	<b>Rent Smart Wales Scheme</b>
1.29	Since 23 November 2015, all landlords operating in Wales must become registered. Rent Smart Wales is a new compulsory licensing and registration scheme for landlords. The new scheme requires landlords to register their properties, and if a landlord wants to manage a property themselves they will need to demonstrate they are fit and proper to hold a licence and undertake training. Landlords have a year to comply with this new obligation. In order to register a landlord must provide accurate and up-to-date information about themselves and their rental properties. This new requirement comes from Part 1 of the Housing (Wales) Act 2014. With the private rental sector playing an increasingly important role in meeting housing need in Flintshire, the Rent Smart Wales scheme will, for the first time, allow local councils to fully identify all of the private rented properties within their local area.
1.30	NEW Homes has already registered as part of the scheme and is in the process of obtaining a licence from Rent Smart Wales. This is necessary in order to operate as a landlord and also as an agent on behalf of other landlords. In line with this, NEW Homes has developed its Operating Code

	to ensure its landlord and management arrangements comply with the Act (Appendix 2). The Operating Code details the principles and standards which NEW Homes will be working towards when marketing properties, agreeing a tenancy with prospective tenants including rights and obligations sets out in the tenancy agreement, repairs, rental payments and arrangements for leaving a property.
1.31	Some private landlords have approached NEW Homes for assistance with registering for the scheme and for the company to potentially manage their properties on their behalf.
1.32	<b>Over 55s Scheme</b>
1.33	The Over 55 Lease Scheme enables an elderly home owner to lease their property to NEW Homes and access more suitable council accommodation. The development of this package has been slow to date due to legal complexities initially and agreeing processes relating to the allocation of Flintshire Council properties. Currently there is only one property within this portfolio – despite a high level of interest being shown amongst older residents.
1.34	A review of the scheme will commence in May 2016. This will include: <ul style="list-style-type: none"> <li>• Researching other schemes across England and Wales and looking at how these operate – in particular how they resolve the issue with access to Social Housing;</li> <li>• Speaking with older people to understand what their concerns are to help break down real and perceived barriers to the scheme; and</li> <li>• Developing a comprehensive marketing strategy specifically designed to reach Flintshire’s older community.</li> </ul>
1.35	<b>New Products</b>
1.36	Focus is also being given upon developing new products and services to both potential future landlords and tenants alike. These include the development of different management packages, tenant selection service and property maintenance services for private landlords.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	Appendix 2a provides a Financial Report on NEW Homes which details the company’s Income and Expenditure Account projecting a surplus of £33K as at February 2016.
2.02	This builds on the surplus of £19K generated during 2014/15.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
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3.01	None.
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	A Strategic Risk Register is currently being developed for NEW Homes and is due to be presented to Board on 22 July 2016. This will outline all possible risks to NEW Homes and what mitigating action has been taken to reduce the likelihood and impact of these on the business.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – NEW Homes Business Plan & Growth Strategy 2015/20
5.02	Appendix 2a and 2b – NEW Homes Financial and Operational Plan
5.03	Appendix 3 – NEW Homes Operating Code

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None  <b>Contact Officer:</b> Melville Evans – Housing Programmes Manager <b>Telephone:</b> 01352 701436 <b>E-mail:</b> Melville.evans@flintshire.gov.uk

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>North East Wales Homes, (NEW Homes)</b> 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.
7.02	<b>Section 106 Planning Agreement</b> - Properties from developers meeting their affordable housing provision obligations through Section 106 Agreements. The purpose of these agreement is to ensure that the homes go to local people most in need of affordable housing, and the rents or prices are affordable, and remain so in the future.
7.03	<b>Strategic Housing And Regeneration Programme (SHARP)</b> Flintshire County Council House Building Programme which will build 500 new homes (200 Council) and 300 (affordable) new properties across the Council during the next five years.
7.04	<b>Rent Smart Wales</b> - All landlords operating in Wales must become

	<p>registered. Rent Smart Wales is a new compulsory licensing and registration scheme for landlords in Wales. The new scheme requires landlords to also register their properties, and if a landlord wants to manage a property themselves they will need to demonstrate they are fit and proper to hold a licence and undertake training.</p>
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# 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 3 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.

<b>Location</b>	<b>Developer</b>	<b>Housetype</b>	<b>Original Projected Transfer Date</b>
St Mary's Drive, Northop Hall	Anwyl	2 x 3 Bed Houses	December 2015
St Mary's Drive, Northop Hall	Anwyl	3 x 2 Bed Houses	June 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	February 2016
High Street, Saltney	Edwards Homes	4 x 2 Bed Houses	November 2016
Cymau Lane, Abermorddu	Anwyl	3 X 2 Bed Houses	June 2016
<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:

### **New build 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.

NEW Homes is also offering a **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 and completing the sign up process on behalf of the landlord, the landlord will then take responsibility for managing the tenancy. The 2015/16 plan assumes ten customers per year taking up this service.

### **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 access to SARTH, which would not otherwise be available. This is to assist with securing suitable council accommodation. Owners may also access the scheme if they identify suitable alternative accommodation in the private sector.

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 are unable to register on the SARTH 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

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**

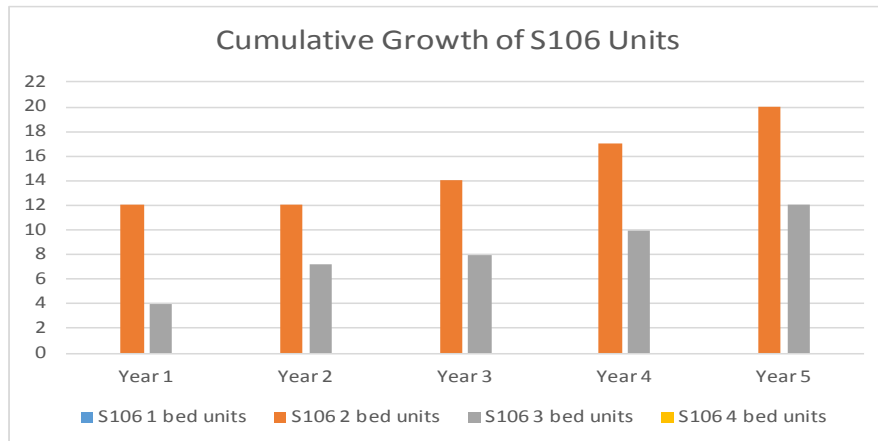
**Landlord Products**

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:



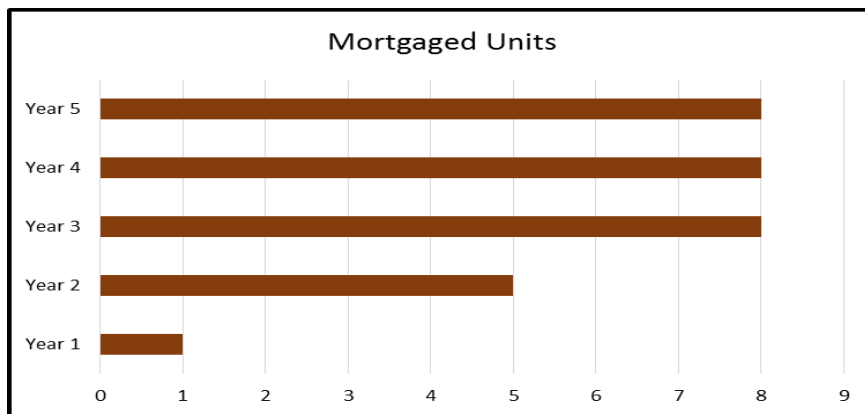
**SHARP Units**

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

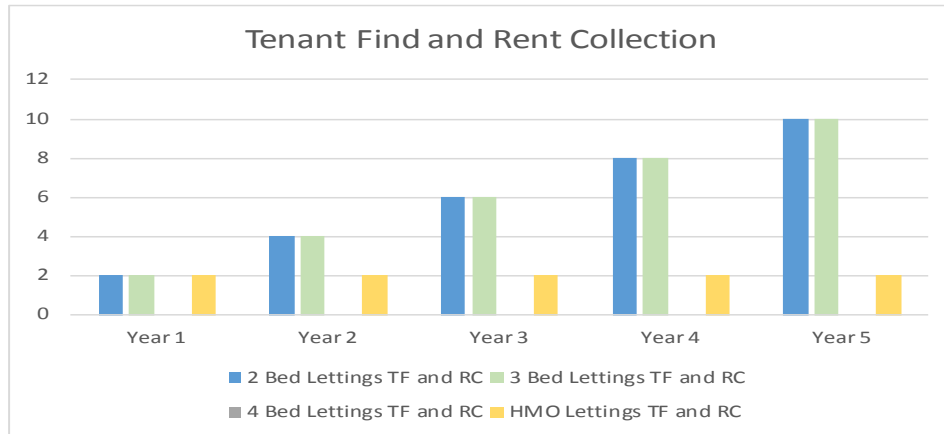
The over 55's housing choice is an offer which is hard to forecast and due to this and the low growth seen in 2014/15 we are not assuming any new units in 2015/16. If a home owner decides to go ahead with the scheme, it is dependent on the availability of Council sheltered property in the area they choose, 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**

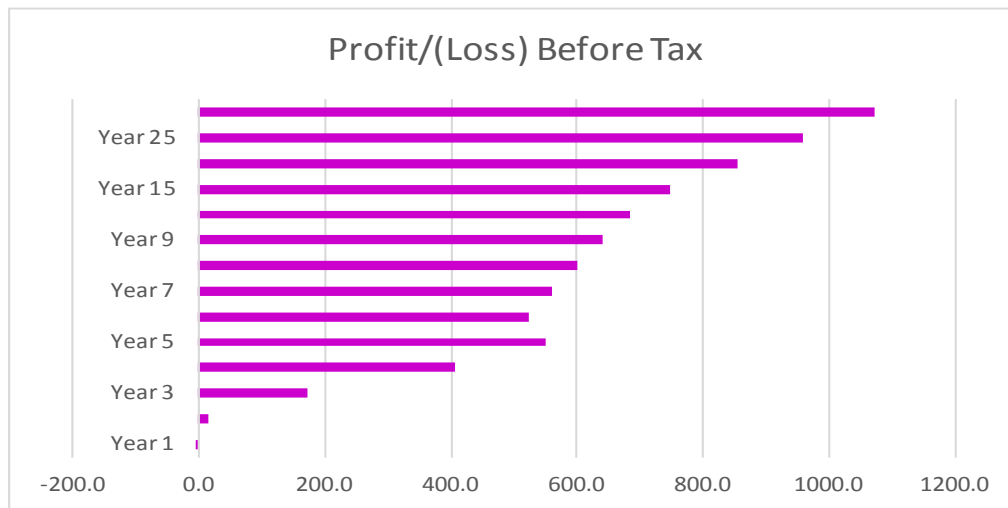
New Homes will offer a flat fee of £250 to find a tenant for the landlord and do all relevant checks. The 2015/16 plan assumes 10 customers per year taking up this service.



**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

Balance Sheet Forecast	£'000 Year 1	£'000 Year 2	£'000 Year 3	£'000 Year 4	£'000 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	22.1	116.5	593.2	1,366.4	2,435.1
Bad Debt Write Off	0.0	0.0	0.0	0.0	0.0
<b>Total Current Assets</b>	<b>22.1</b>	<b>116.5</b>	<b>593.2</b>	<b>1,366.4</b>	<b>2,435.1</b>
<b>Current Liabilities</b>					
Corporation Tax	0.0	-2.2	-32.1	-76.8	-103.7
<b>Total Current Liabilities</b>	<b>0.0</b>	<b>-2.2</b>	<b>-32.1</b>	<b>-76.8</b>	<b>-103.7</b>
<b>Net Current Assets Excl Pension</b>	<b>22.1</b>	<b>114.3</b>	<b>561.1</b>	<b>1,289.6</b>	<b>2,331.5</b>
Pension Asset Total					
Net Current Assets Incl Pension					
<b>Total Assets Less Current Liabilities</b>	<b>267.1</b>	<b>2,829.1</b>	<b>9,720.1</b>	<b>15,718.4</b>	<b>22,283.6</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>17.1</b>	<b>29.3</b>	<b>171.1</b>	<b>500.1</b>	<b>946.1</b>
<b>Share Capital and Reserves</b>					
Retained Surplus	16.6	29.3	171.1	500.1	946.1
<b>Total Reserves</b>	<b>16.6</b>	<b>29.3</b>	<b>171.1</b>	<b>500.1</b>	<b>946.1</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	92.2	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>102.5</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>3.4</b>	<b>15.0</b>	<b>173.9</b>	<b>405.8</b>	<b>549.6</b>
Corporation Tax	(0.5)	(2.2)	(32.1)	(76.8)	(103.7)
<b>Profit/(Loss) After Tax</b>	<b>2.9</b>	<b>12.7</b>	<b>141.8</b>	<b>329.0</b>	<b>446.0</b>
<b>Cumulative Retained Surplus</b>	<b>16.6</b>	<b>29.3</b>	<b>171.1</b>	<b>500.1</b>	<b>946.1</b>



# Financial Update

February 2016

## Financial Overview

The following Income and Expenditure Account shows as at February 2016 NEWHs is projecting a surplus of £33,431.

### NEW Homes Profit and Loss Forecast 2015/16

All Units	Budget	Feb - YTD	Projection	Outturn	Variance
	£	£	£	£	£
<b>Income From Lettings</b>					
<b>S106 Units</b>					
Rent Receivable	(100,200.00)	(88,001.87)	(10,100.00)	(98,101.87)	2,098
Voids rent loss	986.00	0.00	0.00	0.00	(986)
Service charges	0.00	(1,089.00)	1,089.00	0.00	0
<b>Over 55s/HMO Lease</b>					
Rent Receivable	0.00	(2,093.44)	(1,497.50)	(3,590.94)	(3,591)
Sign up Income	0.00	0.00	0.00	0.00	0
<b>Managed Letting units</b>					
Management Income	(14,430.00)	(14,998.01)	(1,508.50)	(16,506.51)	(2,077)
Sign up Income	(2,340.00)	(2,635.00)	(195.00)	(2,830.00)	(490)
<b>Net Rental Income</b>	<b>(115,984.00)</b>	<b>(108,817.32)</b>	<b>(12,212.00)</b>	<b>(121,029.32)</b>	<b>(5,045.32)</b>
<b>Operating Costs</b>					
<b>S106 Units</b>					
Responsive & Void repair costs	3,250.00	1,412.87	87.13	1,500.00	(1,750)
Cyclical costs	813.00	0.00	0.00	0.00	(813)
Major Repairs Provision	0.00	0.00	0.00	0.00	0
Bad Debt Provision	986.00	0.00	0.00	0.00	(986)
Bad Debt Write Offs	0.00	0.00	299.00	299.00	299
S106 Legal Fees	0.00	410.00	150.00	560.00	560
S106 Service Charge	0.00	0.00	0.00	0.00	0
Depreciation	5,000.00	0.00	0.00	0.00	(5,000)
<b>HMO Lease</b>					
Cleaning	0.00	647.00	120.00	767.00	767
Utility Costs	0.00	1,793.19	0.00	1,793.19	1,793
<b>Overheads</b>					
General Management Recharges	50,108.00	848.47	57,589.35	58,437.82	8,330
Comms and software	2,314.00	1,511.38	602.42	2,113.80	(200)
Subscriptions	1,275.00	843.95	0.00	843.95	(431)
Financing charges	2,478.00	4,851.55	248.78	5,100.33	2,622
Marketing and Printing	2,560.00	477.18	522.82	1,000.00	(1,560)
Deposit Charges	265.00	111.40	47.00	158.40	(107)
Other - General	0.00	911.25	588.75	1,500.00	1,500
Consultancy	33,500.00	25.00	13,500.00	13,525.00	(19,975)
<b>Total Operating Costs</b>	<b>102,549.00</b>	<b>13,843.24</b>	<b>73,755.25</b>	<b>87,598.49</b>	<b>(14,950.51)</b>
Interest Payable	10,000.00	0.00	0.00	0.00	(10,000)
<b>Surplus Before Tax</b>	<b>(3,435.00)</b>	<b>(94,974.08)</b>	<b>61,543.25</b>	<b>(33,430.83)</b>	<b>(29,995.83)</b>
Corporation Tax					
<b>Surplus After Tax</b>	<b>(3,435.00)</b>			<b>(33,430.83)</b>	<b>29,995.83</b>

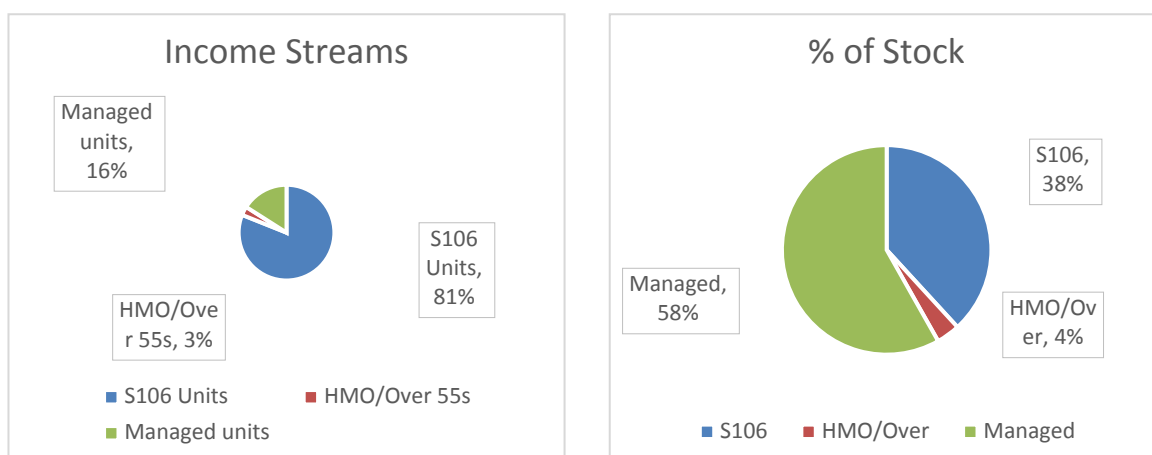


## Income

As at February 2016 we have a favourable income variance to budget of £5,045.32 for the year.

	<b>Budget</b>	<b>Projection</b>	<b>Variance</b>
<b>S106 Units</b>	£ 99,214.00	£ 98,101.87	-£ 1,112.13
<b>HMO/Over 55s</b>	£ -	£ 3,590.94	£ 3,590.94
<b>Managed units</b>	£ 16,770.00	£ 19,336.51	£ 2,566.51
	<b>£ 115,984.00</b>	<b>£ 121,029.32</b>	<b>£ 5,045.32</b>

£98.1k (81%) of income relates to rental charges on the S106 units which make up 38% of the property portfolio. £19.3k (16%) of income is from management fees via our managed portfolio.



The property portfolio has increased by 83% during 2015/16, taking the total number of units to 55 in total. This is an over achievement of 5 units compared to the budgeted projection.

	<b>2015/16</b>	<b>2014/15</b>
<b>S106 Units</b>	21	15
<b>HMO/Over 55s</b>	1	1
<b>Managed units</b>	33	14
	<b>55</b>	<b>30</b>

## Operating Costs

As at February 2016 we have a favourable variance on costs to budget of £14,951 for the year. This is mainly due to the consultancy costs being lower than anticipated.

	<b>Budget</b>	<b>Projection</b>	<b>Variance</b>
<b>S106 Units</b>	£ 45,287.10	£ 33,161.09	-£ 12,126.00
<b>HMO/Over 55s</b>	£ 4,404.76	£ 5,802.52	£ 1,397.75
<b>Managed units</b>	£ 52,857.14	£ 48,634.88	-£ 4,222.26
	<b>£ 102,549.00</b>	<b>£ 87,598.49</b>	<b>-£ 14,950.51</b>

## S106 Direct Costs

We are currently projecting £2,359 of costs for the S106 units. This is for land searches, valuation charges for new sites transferring to us and Gas Safety Certificates for each property as they become due.

Lower than anticipated remedial costs have been incurred in year on the S106 properties. This is due in part to the low tenant turnover.

## HMO/Over 55's Direct Costs

HMO - due to the leased HMO being hard to let, yet incurring direct costs for cleaning and utility charges, this has resulted in a loss on the property. The property has now been handed back to the landlords due to it being uneconomical to manage.

## Overheads – all properties

Comms and Software – Projected spend of £2,114 due to ongoing software support for Landlord Manager and hosting of the system on the Cloud via an external company.

Financing Charges – Projected spend of £5,100 due to the Yearend Accounts being prepared by an external company – Sage & Co – and a Client Account Audit that was completed December 2015 on client monies that we hold and manage.

Consultancy – Projected spend of £13,525 due to the specialist charges for work on the business plan by Andy Roskell in the amount of £12,000, plus additional licences for Landlord Manager to allow access for the Bond team.

General Management Recharges – These relate to the staff costs attributable to NEW Homes that will be transferred from Flintshire County Council at year end. They are higher than budgeted for due to the staff changes during the year.

**Client Account Audit**

The accountants, Sage & Co, have completed an audit on the client monies we hold. All checks have been completed and they are satisfied that monies are dealt with in the correct manner. A copy of the report is attached as Appendix 1.

**ARREARS**

We have 1 former tenancy in arrears. This case is to be reviewed and reclaimed from the tenant via the small claims court. The total amount of debt is £298.69 and relates to 2014/15, a provision for write off has been made in the accounts.

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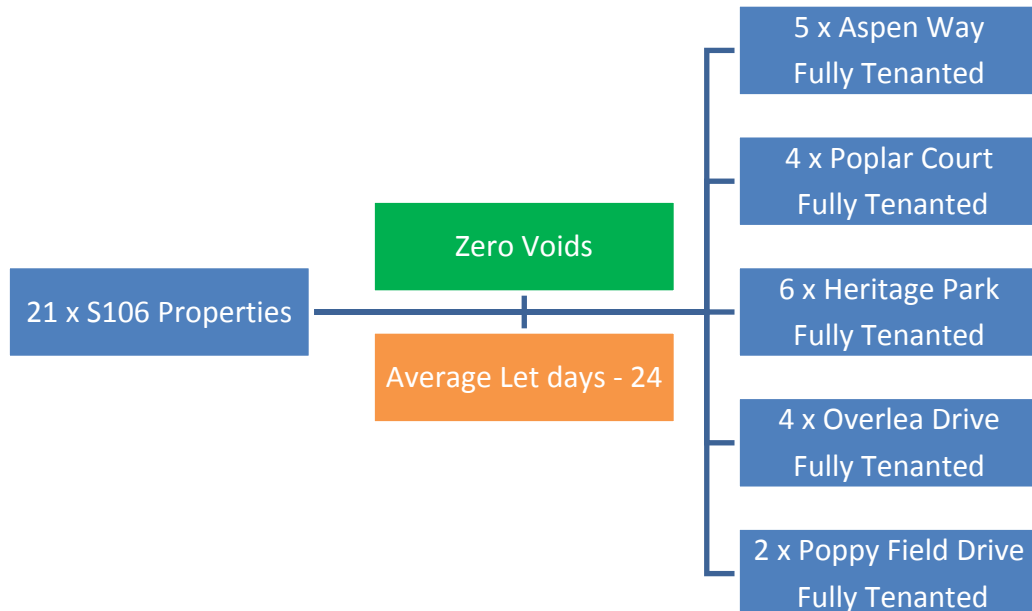


# Operational Update

February 2016

### S106 Units

Average let days are at 24 days. We took possession of the 2 x 3 bed properties on the Redrow site at Poppy Field Road in December, a little later than anticipated, both properties are tenanted. The remaining 2 properties on Overlea Drive transferred to us in February with tenants moving in the same weekend.



Comparison of average let days to the previous year has reduced by 21 days.



### New Developments

We already have potential tenants for the Saltney developments and the second phase of Poppy Field Road, Northop Hall. We are just awaiting an update on when the properties may become available to enable us to undertake the necessary checks with the tenants. We also have interest for 2 of the properties on the Abermorddu development.

**ANWYL** St Marys Drive, Northop Hall

- 3 x 2 bed properties - expected in Summer 2016

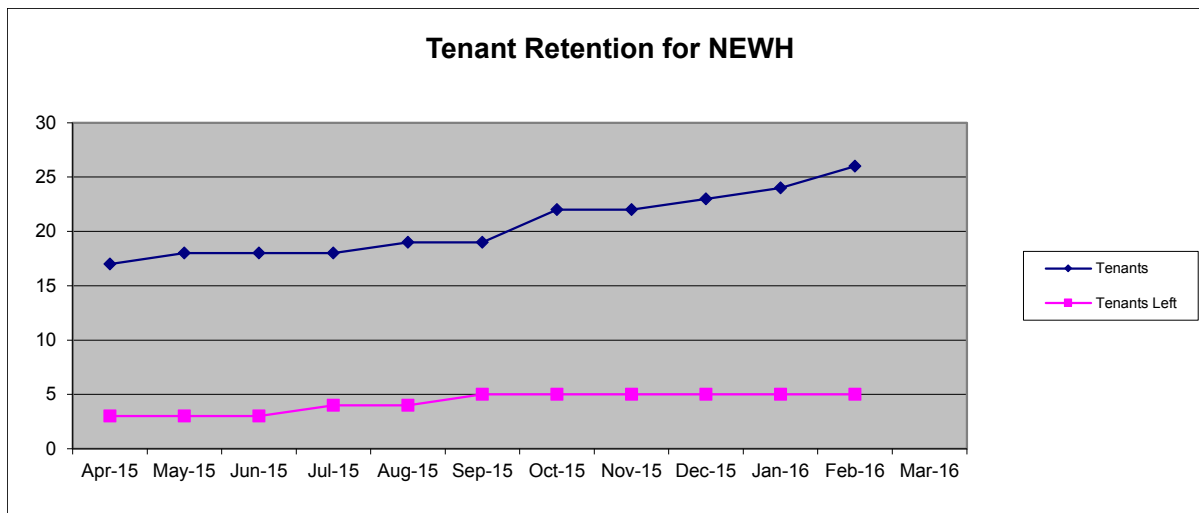
**EDWARDS HOMES** High Street, Saltney

- 4 x 2 bed properties - expected Winter 2016

**ANWYL** Cymau Lane, Abermorddu

- 3 x 2 bed properties - expected in 2016

NEW Homes Tenant Retention rates are very positive.



### Reasons for tenants leaving

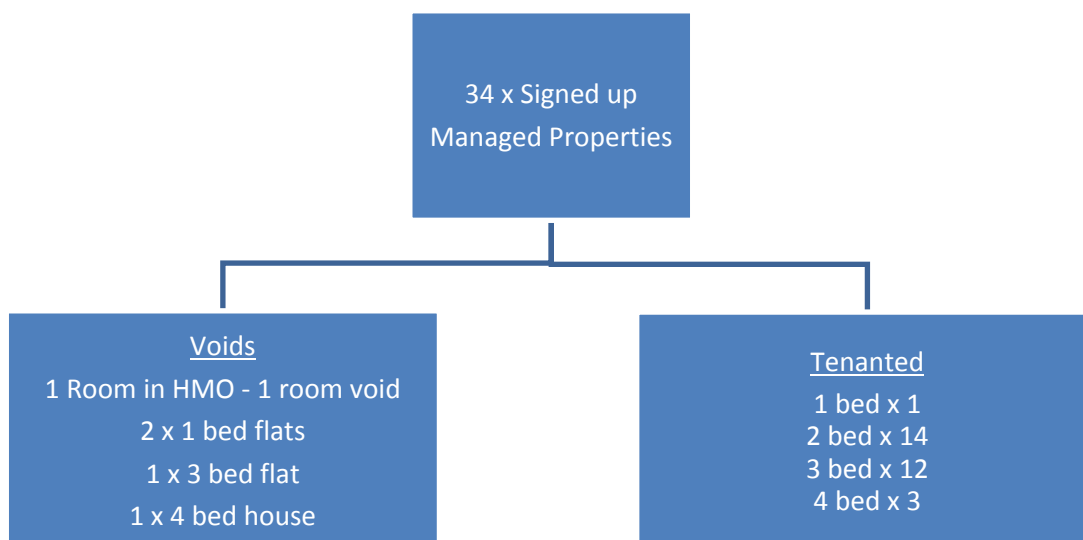
Relationship breakdown – 1

Purchasing own Property – 3

Moving on – 1

### Managed Properties – Signed up

We are utilising free social media advertising, mainly Facebook, which has generated a high demand from prospective tenants. New properties are starting to filter through from the Houses into Homes scheme and general Flintshire County Council enquiries.



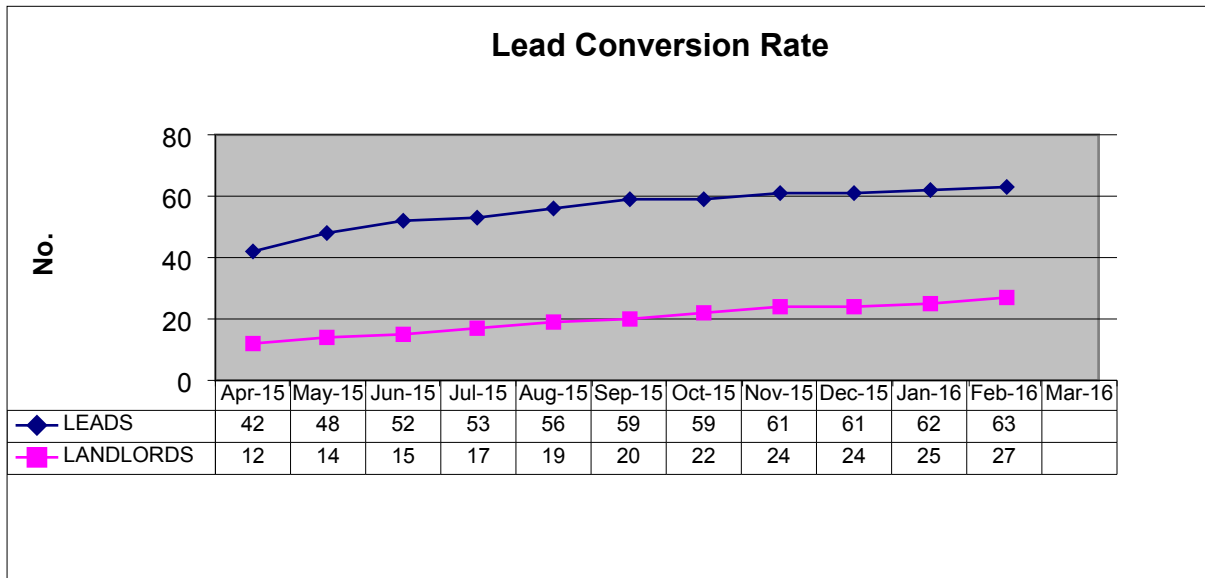
Average let days for 2015/16 are at 27.5 days. This is an increase from previous months due to delays from landlords supplying the correct paperwork for the Houses into Homes scheme, potential tenants backing out on the sign up day for personal reasons.

2014/15 Average Let Days  
15.2 days

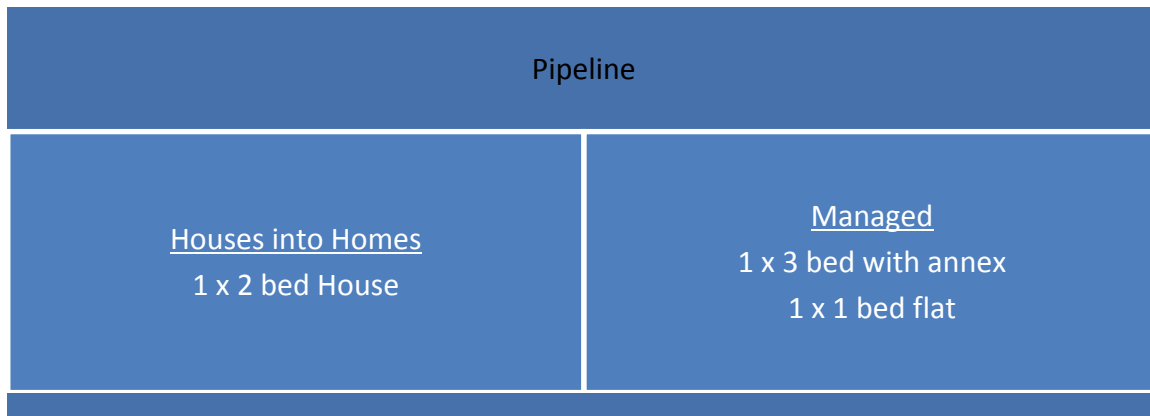


2015/16 Average Let Days  
27.5 days

Leads converted in to landlords business ...



### Managed Properties – Pipeline



### Houses into Homes

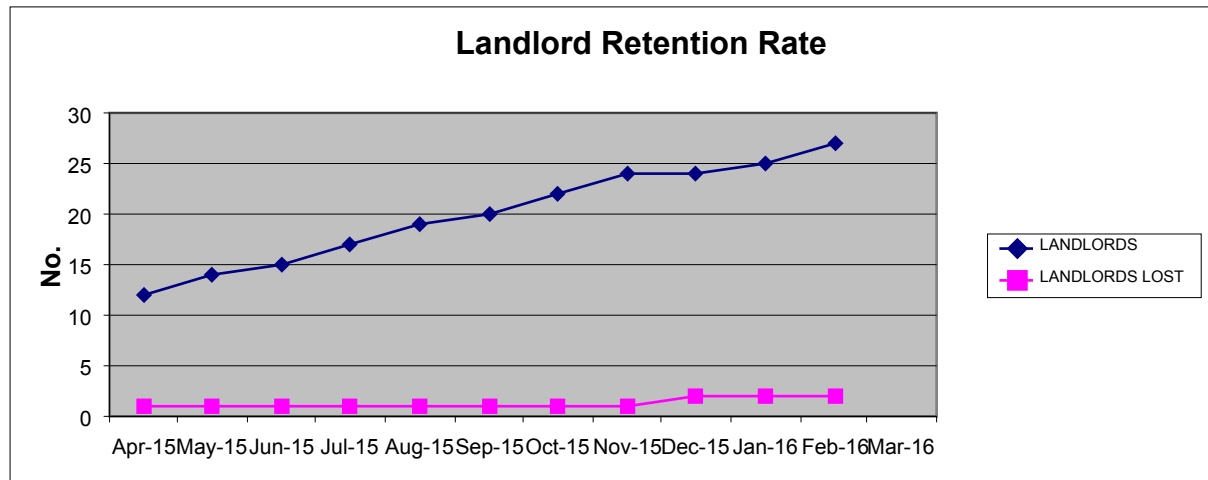
Houses into Homes units are situated above the shops in Deeside and will be a mix of 1 and 2 bed flats. We have experienced some delays with these being handed over to NEWHs due to the schedule of building works being carried out.



## Managed Units

New landlords are coming to NEWHs through word of mouth recommendations.

Landlord Retention rates are very positive ...



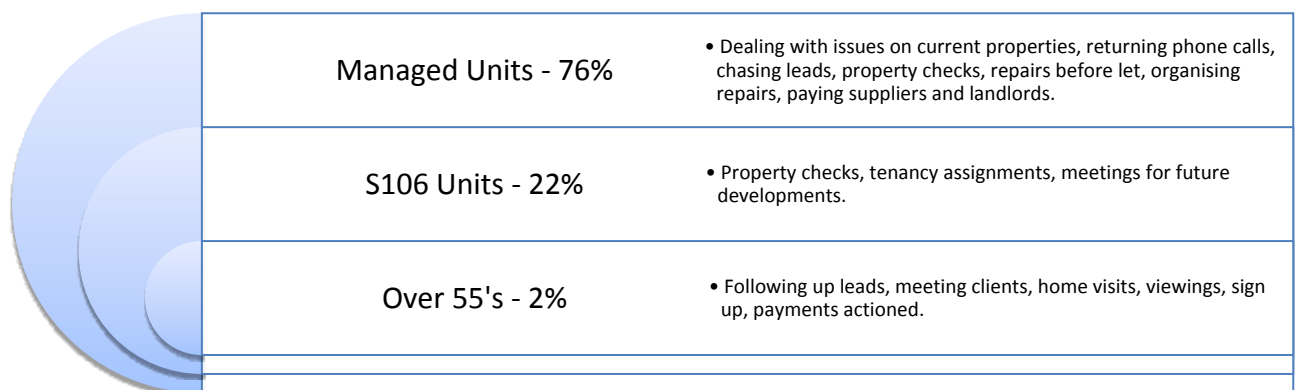
## Over 55's Choice

The Over 55's choice is generating interest from those individuals who wish to downsize and access the councils designated older persons properties. We have 1 person assigned to the scheme.

We have met a number of home owners who have made enquiries for this service. They are currently reviewing the terms and we await further instructions.

## STAFF TIME

The current split of time spent in each area of the business is as follows ...



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## NORTH EAST WALES HOMES

### OPERATING CODE

March 2016

*Based on the Code of Practice for Landlords & Agents licensed under Part 1 of the Housing (Wales) Act 2014*



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## **Background**

As a responsible landlord and letting agent North East Wales (NEW) Homes is committed to working within the Code of Practice set out in the Housing (Wales) Act 2014. Delivering what the Code sets out as Best Practice at every opportunity.

## **General Compliance**

NEW Homes will register with and obtain a licence from Rent Smart Wales. This is necessary in order to operate as a landlord and also as an agent on behalf of other landlords.

## **Letting a property for a private landlord**

NEW Homes will provide the landlord with clear and concise information regarding the following:

- Fees and expenses
- The terms of business between the landlord and NEW Homes
- The duration of the agreement between NEW Homes and the landlord
- The extent of NEW Homes' authority to authorise expenditure on behalf of the landlord – for example in relation to repairs and maintenance.

The landlord will be provided with sufficient time to read the terms of the agreement in order to be satisfied that they fully understand the document.

If the landlord appoints NEW Homes to manage their property then they will be provided with a copy of the signed management agreement for their records.

All documentation relating to the agreement between NEW Homes and the landlord will be signed and dated by both parties.

The agreement will clearly set out specific responsibilities of NEW Homes and the landlord.

Any subsequent changes to the agreement will be confirmed in writing and signed by both NEW Homes and the landlord.

## **Marketing and advertising properties**

NEW Homes will ensure that all marketing and advertising information, whether spoken, written, electronic or in picture, is accurate and not in any way misleading. Statements will be clear concise and will not omit or hide any important information relating to the property.

Any marketing information for properties requiring an Energy Performance Certificate (EPC) will include the Energy Performance commonly known as the Standard Assessment Procedure (SAP).

The EPC will be provided to the tenant at sign up, and made available in the future if requested by the tenant.

Any questions that a prospective tenant has will be answered clearly and truthfully; it will always be made clear to any prospective tenant if an offer has already been made and/or accepted by another applicant.

When arranging viewings of an already occupied property that is under notice the current tenant will be given *at least* 24 hours notice of the appointment. Unless other arrangements for access have been specifically agreed with the tenant. Any agreement of this nature will be in writing and signed and dated by the tenant and

NEW Homes will always seek the necessary consents from the landlord before offering a property to rent. Written confirmation of these consents will always be sought ahead of offering a tenancy.

Where the property NEW Homes is managing is a leasehold property then consideration will be given to all the terms of the lease. Any obligations required, for example payment of service charges, will be detailed in the tenancy agreement and the tenant made aware.

Any service charges relating to the repair and maintenance of the exterior of the building or the communal areas, will not be passed on to the tenant.

NEW Homes will conduct all tenancy related matters, and deal with all prospective tenants in a fair, professional and reasonable manner.

To avoid any misunderstandings or difficulties after a tenancy is created NEW Homes will provide full and detailed information regarding the property and the terms of the rental agreement.

NEW Homes will carry out a full affordability check with the prospective tenant, including providing advice around fuel supplies and heating. This will enable the prospective tenant to make an informed choice regarding whether they are able to sustain the tenancy.

## **Setting up a tenancy**

### **References and checks**

NEW Homes will seek the consent of a prospective tenant before requesting references

No prospective tenant will be treated less favourably than any other on grounds of: age, disability, gender, gender identity, race, nationality, religion, belief, sexual orientation or whether they have or are expecting children.

Reference requests will only seek information relevant to the tenancy

Fair and accurate references will always be provided by NEW Homes if requested by a current or previous tenant.

NEW Homes will advise new tenants of the Welsh Government's publication – **“A Home in the Private Rented Sector – A Guide for Tenants”**

### **Agreeing the tenancy**

Before an applicant is expected to sign a tenancy agreement NEW Homes will ensure the applicant fully understands the following:

- The terms of the tenancy agreement
- How long the tenancy will last (length of the fixed period)
- Costs that will be the responsibility of the tenant
- Amount of any security deposit (if applicable)
- The amount of any holding deposit (if applicable) – making clear the reason for such a deposit and all the associated terms and conditions.
- The total the tenant will be expected to pay on signing the tenancy agreement
- Any guarantor requirements (if applicable)
- Methods of payment available to the tenant
- The procedure for signing the tenancy agreement

NEW Homes will ensure that any potential tenant is given sufficient time to read through the tenancy agreement and obtain independent advice if they wish to.

NEW Homes will always be considerate of a prospective tenant's circumstances when dealing with them. Particularly people who may be disadvantaged due to – age, illness, lack of understanding, lack of linguistic ability, economic circumstances, bereavement or any other personal circumstances they may have a detrimental effect on them.

In the event that any specific or extra terms are negotiated between NEW Homes and the tenant will be written into the tenancy agreement. These changes will be initialled by both parties when signing the tenancy agreement.



Where possible NEW Homes will be accommodating towards prospective tenants who have pets. Where ever possible permission will not be unreasonably withheld and provision will be made within the tenancy agreement to cover the possibility of any damage caused by the pet to the property or furniture provided with the property.

A written tenancy agreement will always be provided and include the following:

- The rent amount and key terms
- Frequency of rent payments
- The period of the tenancy
- How any rent increases will be imposed, including a statement making clear what notice NEW Homes will give the tenant before the rent increase takes effect.

The tenancy will be signed and dated by NEW Homes and the tenant and a copy will be provided to the tenant, the landlord and a copy will be retained by NEW Homes.

The tenancy agreement will include:

- Guidance on the rights of the tenant to use any common parts or shared facilities such as garages, parking spaces or gardens.
- Details of any tenancy deposit required
- Details of the tenancy deposit scheme that the deposit will be registered with
- How the deposit will be returned, terms of any deductions and an undertaking to return the balance of any deposit within a reasonable time.
- A clear description of which party is responsible for:
  - Council tax
  - Utility bills
  - Television Licence
  - Phone, broadband, television subscriptions, or any other payable media service.
- Any other regular charges linked to the tenancy for which the tenant is liable
- Any other fees or charges to be made in relation to the tenancy with clear description of what they are for and if they are returnable at any point
- Details of how the tenancy can be terminated

An inventory will be completed and agreed by NEW Homes and the tenant before it is signed and dated. The Tenant will be given a copy and NEW Homes will retain a copy.

NEW Homes will make clear to the tenant that the tenancy agreement relates specifically to the obligations of the tenant and the landlord. NEW Homes will set out what their responsibilities are as the agent.

The tenancy agreement will allow NEW Homes and/or the landlord access to the property in the event of an emergency.

Also at the tenancy sign up the tenant will be provided with the following documents:

- A copy of a valid Gas Safety Certificate for the property, dated within the last 12 months.
- Current Energy Performance Certificate (EPC), dated within the last 10 years
- Any other documentation relating to the tenancy or property required by law

### **Deposits**

NEW Homes will ensure that any security deposit taken is protected by a Government-authorized scheme within 30 days of receipt, and NEW Homes will comply with the rules of the scheme.

The prescribed details of the tenancy deposit scheme will be made available to the tenant within 30 days of receiving the deposit, the tenant will be given the opportunity to check and sign the prescribed information.

NEW Homes will never take any charges owed by the landlord to NEW Homes from the deposit.

## **During the tenancy**

### **Starting the tenancy**

Basic information about the new tenant(s) will be provided to the water supplier within 21 days of tenancy commencement, this can be submitted at: [www.landlordtap.com](http://www.landlordtap.com)

Where the tenant is responsible for paying utility bills NEW Homes will provide the tenant with the relevant information to make it as simple as possible for the tenant to register with the suppliers.

Where utilities are metered NEW Homes will record the meter readings at the start of the tenancy. The tenant will be provided with these readings.

NEW Homes will inform the Local Authority of the date the tenancy commences for council tax and electoral register purposes.

NEW Homes will advise the tenant of the arrangements for refuse and recycling collection.

NEW Homes will advise the tenant that it is the responsibility of the tenant to insure their belongings with contents insurance. The landlord is responsible for insuring the building.

NEW Homes will explain how the heating and hot water installations work.

NEW Homes will advise the tenant of the location of the electric and gas meters, the main electrical fuse box (and shut off switch), the gas shut off valve. Also the operation of any intruder alarm or window / door locks.

NEW Homes will advise the tenant of any firefighting equipment in the property and how to exit the property safely in the event of a fire.

NEW Homes will provide guidance on the use of heating and ventilation to reduce the risk of damp, condensation and mould growth.

NEW Homes will provide tenants with useful contact numbers for organisations who could offer advice and support should they have any difficulties during their tenancy.

### **Collecting Rent**

Rent and any other charges will only ever be collected through legal means and in line with the clauses in the relevant tenancy agreement.

The name and address of the landlord and NEW Homes will be included on any written rent demand. Until the address is provided then the rent is not deemed due from the tenant. The address provided will be in England or Wales, if the landlord's address is not in England or Wales then notices from the tenant should be served on NEW Homes as the landlord's agent.

The tenant will always be provided with a receipt for any cash or cheque payments made, and an annual rent statement will be provided to the tenant detailing all payments made by the tenant.#

At the start of the tenancy NEW Homes will agree the method of payment for the rent, except in extenuating circumstances this will always be by standing order. NEW Homes will provide the necessary bank details to the tenant at the commencement of the tenancy to enable them to set up a standing order.

Tenants will be provided with the name and address of their landlord within 21 days of a request being made. If the landlord is a company and the tenant requests further information then the name and address of directors and company secretary will be provided, again within 21 days of the request being received.

Full contact details for NEW Homes (Registered and Licenced by Rent Smart Wales\*) will be provided to the tenant. The tenant can contact NEW Homes to discuss their tenancy.

*(\*no later than November 2016 as required)*

Contact details will include:

- Correspondence address
- Telephone number
- Email address

Tenants can expect a response from NEW Homes within a reasonable time, NEW Homes will endeavour to answer:

- Written correspondence within 10 working days
- Telephone calls within 48 hours
- Email within 5 working days

NEW Homes should also be contacted in the event of an emergency.

The pack provided to the tenant when they sign their tenancy will include details of how to report a repair to their property.

The pack will also include details of how to make a complaint, the complaint procedure and how a complaint can be escalated if the tenant is not satisfied with the initial response.

The pack will also set out formal arrangements for redress, where this is applicable.

## **Access to the property - requirements**

Except in the event of an emergency (e.g. a fire, problems with gas, electricity or escape of water, that pose real risk of injury or significant damage to the property or neighbouring properties), NEW Homes will give tenants at least 24 hours written notice, or by a method preferred by the tenant (e.g. telephone call, email or text message), requesting access to the property.

Tenant have the right to peaceful enjoyment of the property they are renting. If there is a valid reason why entry to the property is required, but the tenant refuses, for whatever reason, NEW Homes will seek a court order to gain access.

NEW Homes will only ever force entry to a property in the event of an emergency.

If access to the property is required it will be arranged at a mutually convenient time and NEW Homes will always provide 24 hour notice in writing.

## **Property Conditions**

NEW Homes expect landlords to ensure that their properties pass a Housing Health & Safety Rating System (HHSRS) inspection. Before NEW Homes will take on the management of any property any Category 1 Hazards must be addressed and the landlord must have agreed to address any Category 2 Hazards within a reasonable time or a time specified by the Environmental Health team.

If during the period of the management agreement further hazards appear NEW Homes will notify the landlord and take any action, in line with the management agreement, to resolve the matter.

If NEW Homes is unable to meet the obligations to repair a property for any reason the landlord will be notified and given the reason why to enable him to comply

NEW Homes will work with the landlord and tenant to ensure that installations for heating the property as well as gas, water electricity and drainage supplies to the property are kept in proper working order.

NEW Homes will work with the landlord to ensure that electrical wiring is kept in a safe working condition. All electrical fixtures and fittings are free from breakages, cracking or defects, and are properly and securely fitted.

All electrical appliances supplied will be in a safe condition.

Any furniture or furnishings provided as part of the tenancy will comply with the minimum fire resistance standards, unless exemptions apply.

An annual gas safety check will be carried out by a Gas Safe engineer. A copy of the safety certificate will be kept by NEW Homes for 2 years and a copy of the certificate will be provided to the tenant within 28 days of the completed test.

Any maintenance or repairs carried out to gas appliances will be done by a qualified Gas Safe engineer.

NEW Homes will work with the landlord to ensure that pathways, driveways and car parks that are owned by the landlord are maintained and safe to use. Also that gutters, downpipes, drains and gullies will be maintained and repaired.

NEW Homes will ensure that any contractor entering the property has been made aware of any health and safety issues, including the location of any asbestos in the property.

NEW Homes will ensure that if the property has a solid fuel burning appliance that the landlord supplies carbon monoxide detectors (complying with BS EN 50291 standard).

With regards to Houses of Multiple Occupation (HMO), NEW Home will ensure that landlords adhere to any mandatory or additional licensing schemes.

## **Repairs**

**Emergency repairs** will be dealt with as quickly as is reasonable after NEW Homes is notified. Where there is a risk to health and safety or the security of the tenant or a visitor the repair will be addressed or made safe the same day it is reported.

**Urgent repairs** will be dealt with, where ever possible, within three working days. These would include failure of functions within the property, for example, central heating, hot water or electrics. However, a repair to a boiler or heating system may be considered urgent during the summer months, but an emergency.

**Other repairs** NEW Homes will endeavour to complete minor repairs as quickly as possible, and no later than 30 days after the initial request is received.

NEW Homes will only ever use competent, and where necessary, qualified contractors to carry out repairs. NEW Homes will take all reasonable steps to ensure that contractors have:

- Public liability insurance
- Professional indemnity insurance
- Relevant trade qualifications where necessary
- Appropriate Health & Safety risk assessments.

NEW Homes will never take eviction action against a tenant for making a reasonable repair or maintenance request.

NEW Homes will never unreasonably refuse a tenant's request to decorate a property. NEW Homes may seek to arrive at a compromise such as the tenant will return the property to its original state at the end of the tenancy.

NEW Homes will always consider a tenant's request adaptations to their home to aid their mobility, the adaptations will not be unreasonably refused. It is recognised that allowing an adaptation to be made can help the tenant remain in the property for a longer period.

Where a property needs repairs or maintenance NEW Homes will consult with the tenant before work commences, except if the work is of an urgent nature.

NEW Homes will aim to ensure all repair works are “Right First Time” to avoid the need to repeat the repair work, minimising inconvenience to the tenant and saving time and money.

NEW Homes will carry out quarterly inspections of tenancy and keep a record of the inspection. These inspection will look to identify any hazards or repairs that require attention and note what action has been taken to address the issues.

NEW Homes will ensure that carbon monoxide detectors will be provided in all rooms where there are gas, oil or solid fuel appliances.

NEW Homes will ensure that smoke detectors will be provided on all floors of a property.

NEW Homes will ensure the safety of solid fuel and oil heating installations. Appropriate routine maintenance will be carried out, including sweeping of chimneys and flues on an annual basis.

A check on the electrical installation will be carried out every five years by a competent electrician and recorded in an Electrical Installation Condition Report.

NEW Homes will ensure maintenance to heating appliances is carried out by an appropriate registered competent person. NEW Homes will retain the resulting certificate on file.

NEW Homes will provide tenants with information on heating and ventilating their property to prevent condensation and rising and penetrating damp.

### **Renewing or changing a tenancy**

In the event that a tenancy is renewed NEW Homes will always provide the tenant with a written tenancy agreement. The tenant will be given sufficient time to review the document before being expected to sign it.

NEW Homes currently do not charge fees for renewing tenancies, if this situation changes any fees will be clearly communicated to the tenant before any new tenancy agreement is made.

## **When things go wrong**

NEW Homes will endeavour to ensure that all our tenancies run smoothly, there will however be times when tenants may not be satisfied. In the event of this NEW Homes will:

- Ensure there is good clear communication, keeping the tenant up to date with any action that is being taken.
- Mediation will be sought in an attempt to resolve any dispute before any legal action is taken.
- Tenants will be advised of the complaints procedure and who to contact in the event that they are not satisfied with any resolution NEW Homes offers

## **Ending a tenancy**

There are procedures that must be completed to end an assured shorthold tenancy. If these do not happen then a tenant will not be evicted from the property without a court order and the correct process being followed. Ideally a notice is legally served and the tenant leaves as required.

NEW Homes will not deduct anything from a tenancy deposit or claim against a Bond unless a loss has actually been suffered, evidence will be provided to support any claim. Losses as a result of fair wear and tear will not be deducted from the deposit.

If deductions are to be made from the deposit then details will be provided to the tenant in writing if requested. The claim will be made by following tenancy deposit legislation and the requirements of the tenancy deposit scheme that the deposit is registered with.

Any balance of deposit will be refunded to the tenant in a reasonable time after agreement is reached by both parties.

In the event that there is a dispute any amount to be refunded will be refunded in a reasonable time after the decision is made by the tenancy deposit scheme or the court.

Tenancy deposit funds not in dispute will be refunded to the tenant within a reasonable time.

Upon receiving a notice to end the tenancy NEW Homes will provide the tenant with written guidance explaining the steps to take to prepare the property for the end of the tenancy, e.g. the handover of keys. Tenants will be made aware of any key clauses in their tenancy agreement that they should be mindful of, e.g. those relating to deductions from the deposit.

NEW Homes will promptly notify the landlord of the receipt of notice to terminate a tenancy from the tenant.

NEW Homes will provide the tenant with details of organisations that can help them if they do not have accommodation to move to at the end of their tenancy, e.g. Flintshire



County Council's Housing Options Team, Citizens Advice, Shelter Cymru. This information will be provided at the time the notice is served.

NEW Homes will endeavour to inspect the property within 24 hours of the tenancy ending, or the next working day. This is to establish the condition of the property, photographs will be taken to aid any necessary claim against the deposit.

Tenants will be advised when the end of tenancy inspection is to take place in order to give them the opportunity to attend if they wish to.

NEW Homes will notify – Flintshire Council and utility companies – that the tenant has moved out.

NEW Homes will take meter readings when they carry out the end of tenancy inspection.

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**NORTH EAST WALES HOMES LIMITED**

**ACCOUNTANTS REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**PREPARED BY SAGE & COMPANY CHARTERED ACCOUNTANTS**

The purpose of this report is to form an opinion as to whether the records and controls have been suitably maintained by management during the period examined in accordance with the provisions and limits of the UK Association of Letting Agents (UKALA) Accounting Rules.

Although not duty bound to report to any third party or independent body, the Directors of the company have undertaken to an independent examination performed by a firm of Chartered Accountants, to ensure good and proper practice, accuracy and transparency over the company's affairs.

To reach a conclusion on the above, a programme of work was performed, using the regulations of the UKALA as a suitable industry benchmark. Our findings can be summarised as follows:

		Complies?		
		YES	NO	N/A
a	Sage & Company confirm that they are eligible and able to perform such a review, and have suitable work programmes and controls in place.	✓		
b	Having ascertained from the company details of all relevant bank or building society accounts operating in connection with the residential letting and management activities, establish that the banks/building societies used, fall within the relevant definition of "client account".	✓		
c	Establish that the client (bank) accounts fulfil the requirements to be correctly designated and acknowledged.	✓		
d	Where interest is accruing on client money, confirm that this is being dealt with appropriately. [See Note 2]	✓		
e	Take such random samples as to be satisfied that only appropriate payments have been made into client (bank) accounts and in a timely manner.	✓		
f	Take such random samples as to be satisfied that only appropriate payments have been made out of client (bank) accounts, including test-checks of the system for calculating and recording fees and disbursement by sampling transactions against supporting documentation.	✓		
g	Make such test examinations of a sample of client ledger accounts as thought necessary to ascertain whether any such account has gone into debit.	✓		
h	Obtain a copy of the schedule of signatories and through sampling and/or enquiry be satisfied that only suitably appropriate people have made or authorised, payments.	✓		
i	Compare a random selection of lodgements into and payments out of client bank accounts (as evidenced by reference to bank and/or building society statements) with entries in the cash book records of receipts and payments.	✓		
j	Make test-checks of postings to clients' ledger accounts from cash book records of receipts and payments of clients' money and make test-checks on the casts (additions) of such accounts and records.	✓		
k	Examine the bookkeeping system to be satisfied that appropriate ledger accounts are kept and are sufficiently detailed.	✓		

l	Enquire into, test-check the reasons for, and examine documents in support of any transfers found to have been made from one client ledger account to another -ascertaining that entries and transactions are adequately described or explained.	✓		
m	Confirm that reconciliations have been carried out within the relevant timeframes and suitable documentation has been both produced and retained.	✓		
n	Select two reconciliations, one of which must be the last day of the company's accounting year, and at each date test-check their integrity by: - 1. Comparing the sum total of the individual balances due to clients, as shown by the ledger accounts, with the cash book balance on the client (bank) account. 2. Reconciling the sum total of client balances with the balance of funds held according to the client account cash book. 3. Checking the additions of the lists of individual client balances, on both (or more) of the dates selected. 4. Obtain direct confirmation from the bank or building society of the balance on the client (bank) accounts by requesting bank certificates or appropriate confirmation letters in respect of at least one of the dates selected. [See Note 1]	✓		
o	Ascertain by enquiry or investigation whether any unidentified or dormant client funds are held and if so, being dealt with appropriately.			✓
p	Ascertain by enquiry or investigation whether the requirements of The Accounting Rule are both readily available to and, understood by, the relevant persons within the company.	✓		

**Note 1:**

The results of the two comparisons required under section 'n' of the checklist were as follows:

**Reconciliation date 1: 31 January 2015**

Total liability to clients as shown by client's ledger	£	1,100.00
Cash held in client bank account after allowance for outstanding cheques and lodgements cleared after date	£	1,100.00
		<hr/>
Difference	£	0.00

**Reconciliation date 1: 31 March 2015**

Total liability to clients as shown by client's ledger	£	0.00
Cash held in client bank account after allowance for outstanding cheques and lodgements cleared after date	£	11.77
		<hr/>
Difference (being clearly trivial)	£	-11.77

The above difference was clearly trivial, and the result of not transferring enough fees/commission to the office account. This was rectified after the month end, there is no cause for concern, and there was no loss to any client.

**Note2:**

In respect of section 'd', it should be noted that all income receiveable on client account balances should be credited directly to the office account. All other aspects of section 'd' were dealt with satisfactorily and with interest received just £1.15, the error is therefore trivial.

**Conclusion**

We have examined the books, accounts and documents produced, relating to the above-named firm to the extent required.

We understand that the company, its management and any other party may rely on this Report.

In so far as an opinion can be based on this limited examination,

1 We are satisfied that during the above-mentioned accounting period, the company has complied with the provisions of the UKALA's Accounting Rule other than in respect of certain trivial breaches due to clerical errors or mistakes in book-keeping , all of which were rectified on discovery and none of which, we are satisfied, resulted in any loss to any client;

Or, ~~We are not satisfied that during the above-mentioned accounting period the Member Firm listed above has complied with the provisions or requirements of the NFoPP's Accounting Rule, because of:~~

**SAGE & COMPANY**

**CHARTERED ACCOUNTANTS  
REGISTERED AUDITORS**

**23 NOVEMBER 2015**

**102 BOWEN COURT  
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## COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	April 13 <sup>th</sup> 2016
<b>Report Subject</b>	Housing (Wales) Act 2014
<b>Cabinet Member</b>	Cabinet Member for Housing
<b>Report Author</b>	Chief Officer, (Community and Enterprise)
<b>Type of Report</b>	Strategic

### EXECUTIVE SUMMARY

The Housing (Wales) Act 2014 introduced new homeless legislation in April 2015. This report provides an update on how the council has met the requirements of the new homeless legislation including the focus on homeless prevention and support for more households.

The transition funding made available by Welsh Government has been used to support some key areas which contribute to the prevention of homelessness and increase the availability of suitable housing options. The funding has provided additional capacity within the Private Sector Team, Environmental Health, Third Sector support and regional projects as well as 1.5 additional posts within the team.

In 2015 the Triage Team was created to meet the requirements within the new legislation and the new Single Access Route to Housing policy. This team has developed over the year and is now providing low level advice, where appropriate, and relieving pressure on the Housing Options Team by forwarding customers directly to the appropriate service to meet their housing need.

There has been an increase in numbers of households seeking assistance compared to previous years. This service is pleased to report that it has managed to maintain a high rate of successfully preventing or relieving homelessness. Reducing the use of B&B accommodation remains a focus and the report details the challenges the council faces, the ongoing risks and the activity undertaken to manage this area.

## RECOMMENDATIONS

1	Committee notes the update on the Housing Solutions Service and the management of the new legislation within the Housing (Wales) Act 2014
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## REPORT DETAILS

<b>1.00</b>	<b>BACKGROUND</b>
1.01	The Housing (Wales) Act 2014 reflects the Welsh Government commitment to reinforce the prevention of homelessness as set out in its Ten Year Homelessness Plan. The legislation introduced by the Act on the 27th April 2015 represents the most fundamental change to homelessness legislation since the Housing (Homeless Persons) Act was introduced in 1977.
1.02	<p>The legislation has introduced an explicit focus upon the prevention of problems rather than simply processing people through crises and, if implemented effectively, will result in fewer households experiencing the trauma of homelessness.</p> <p>Key features of the new legislation include:</p> <ul style="list-style-type: none"><li>▪ A new statutory duty for Local Authorities to take reasonable steps to help people prevent homelessness;</li><li>▪ Extend the definition of ‘threatened with homelessness’ from 28 to 56 days;</li><li>▪ A power rather than a duty to apply the homelessness intentionality test;</li><li>▪ A new power allowing Local Authorities to discharge their homelessness duty through an offer of suitable private rented sector housing; and</li></ul>
1.03	Stronger duties on Housing Associations to, when requested, provide co-operation and support to local authorities in carrying out their homelessness duties.
1.04	A year before the legislation came into force, Flintshire County Council’s Housing Options Team agreed to pilot the delivery of a homelessness prevention service aligned to the requirements within the new legislation. A report on the experiences of the team during the 12 month pilot was shared amongst all Welsh Local Authorities, providing them with a framework within which they could develop and deliver an effective homelessness prevention service.
	<b><u>CONSIDERATIONS</u></b>
1.05	<b>Homeless Prevention</b> The legislation places a much stronger emphasis on prevention and the legislation also has a focus on the service user, helping them to identify and address the causes of homelessness and make informed decisions on



	finding solutions to their housing problem.					
1.06	The new statutory duty upon a Local Authority to prevent homelessness for all those who present with a housing need has meant that many households now receive more help and support than the limited assistance they would have been entitled to under the previous legislation.					
1.07	During the period April 2015 to March 2016, the Housing Options Team received 1,176 referrals of households in need of housing assistance. It is pleasing to note that the figures at the end of quarter three demonstrate the team has successfully prevented or relieved homelessness in 91% of cases. The figures for the full year show that the number of customers being referred to Housing Solutions has increased this year by 7% compared to 2014/15. This figure underestimates the increase demand as a number of households are having their needs met through wider housing solutions services and receiving assistance from the Housing Access Team. Previously, the majority of cases would have been presenting directly to the Housing Options Team for advice and assistance.					
1.08	The continued focus of Supporting People services on homeless prevention activity has contributed to the outcomes of the service. This is an area the service will continue to develop in order to meet ongoing need.					
1.09	<b>Triage and Housing Solutions</b> At the same time the new homelessness legislation came into force, Flintshire County Council launched the new Single Access Route to Housing (SARTH) allocations policy. A key aspect of the new policy is the focus on identifying appropriate Housing Solutions for those who apply for social housing. Housing staff, who had previously been inputting application forms, were trained to deliver a customer facing housing triage service.					
1.10	This service is the 'gateway' for all enquiries from people who are in housing need. The triage team not only identify whether someone is eligible to go on the register for social housing but also identify if someone is at risk of homelessness or requiring housing advice and assistance. As the confidence and experience of this team has developed, it has been able to provide better advice and housing options to customers. For example, those looking for affordable housing are provided with wider options of how a sustainable housing solution can be attained and those identified at risk of homelessness are forwarded directly to the Housing Options Team.					
1.11	The effectiveness of the triage service has relieved pressure on the Homeless Officers who are carrying large caseloads. For example, the triage team take detailed information to form an individual's initial housing assessment and, as appropriate, provide low level housing advice and assistance. Consequently, the Homeless Officers are freed up to manage more complex homeless cases.					
1.12	The chart below shows how the number of cases being dealt with and resolved by the triage team has released pressure on Housing Options through the year with 49% of cases being referred to other teams.					
	<table border="1"> <thead> <tr> <th>Number</th> <th>Number</th> <th>%</th> <th>Number of</th> <th>%</th> </tr> </thead> </table>	Number	Number	%	Number of	%
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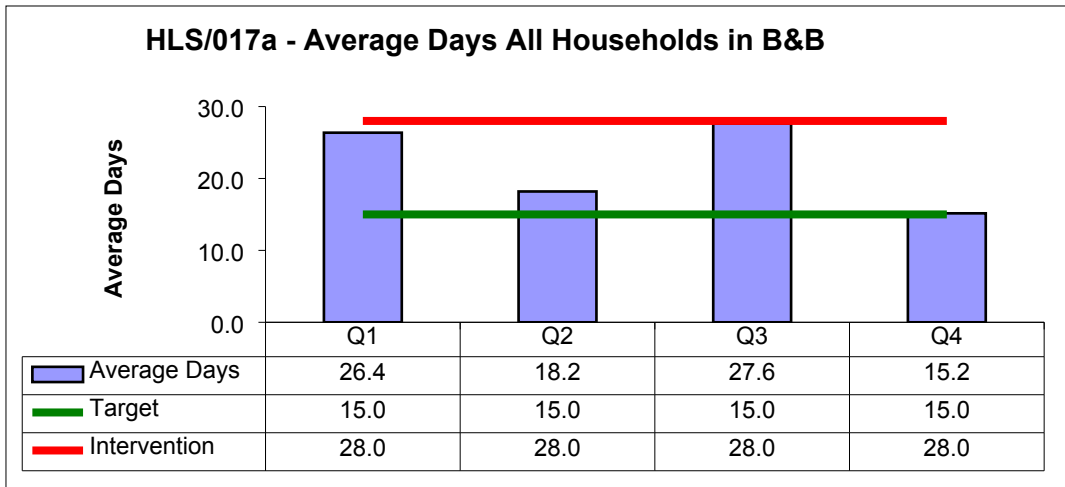
	of Triages		of Referrals to Duty		referrals to other Housing Solutions	
<b>Quarter 2</b>	433	357	82.45%	76	17.55%	
<b>Quarter 3</b>	554	218	39.35%	336	60.65%	
<b>Quarter 4</b>	837	356	42.53%	481	57.47%	
<b>Total</b>	<b>1824</b>	<b>931</b>	<b>51.04%</b>	<b>893</b>	<b>48.96%</b>	
1.13	The triage service has primarily been carried out over the phone. However, it is now available face to face within the Connects Centre. As a number of additional staff are now carrying out the customer facing triage service a number of full days training are scheduled for April. Representatives from Housing Options, NEW Homes and the Affordable Register will attend to provide detailed information on the range of options available.					
1.14	The service is currently carrying out case file reviews to ensure the service is compliant with the new legislation. In addition, Shelter Cymru are carrying out some independent reviews of the customer experience from triage stage through to being allocated accommodation.					
1.15	<b>Private Rented Sector</b> The focus of the Housing Options Team, wherever possible, is to prevent homelessness and enable a household to remain in their home. However, there are many examples where this is not an achievable outcome and alternative accommodation must be sourced for a household. The team could not adequately meet the need for the provision of alternative accommodation through relying on social housing alone. To achieve a successful homeless prevention outcome the service needs a supply of affordable housing options, which can be made available to households accessing the service.					
1.16	NEW Homes and the Bond Scheme have made available an increased supply of private sector options for families. Furthermore, the management of properties by NEW Homes increases the sustainability of tenancies and helps the private rented sector be viewed by households as a more settled option.					
1.17	In 2015/16 133 households accessed private rental properties through the Bond Scheme; 52 single person households and 81 families; Of these 17 households were housed by NEW Homes.					
1.18	<b>Affordable Register</b> The triage service is able to promote the affordable options available in the county. The team now has a list of schemes in development to ensure they can give accurate advice. A list of interested applicants is sent over to Grwp Cynefin who manage the affordable register every week. The number of applicants had been lower than expected and Grwp Cynefin staff have spent some time with the Triage Team to build closer links.					
1.19	<b>Bed and Breakfast</b> Reducing the use of B&B accommodation has been a focus of the service in 2015/16. However, it is important to note that the new legislation, which requires a Local Authority to provide a household with interim					

	accommodation if there is 'reason to believe the household has a priority need', is a lower threshold than the threshold in the previous legislation where a duty to provide interim accommodation was only owed to households 'in priority need'.																				
1.20	The target for the year was to spend less than £120,000 on B&B. At the time of writing the report, the service did not have final figures. B&B costs have been on average £8,300 so the full year projection is £100,000 in 2015/16.																				
1.21	<p><b>Families</b></p> <p>The service is particularly keen to end the use of B&amp;B accommodation for families. In 2015/16, on average 2 families a month were placed in B&amp;B accommodation. Despite the availability of family supported accommodation and temporary units from our own stock, there remain occasions, where due to the urgency of the case or the complexity of the circumstances, a B&amp;B placement is unavoidable. Whenever, a family is placed within B&amp;B accommodation the Housing Options Team find more suitable accommodation for the family as soon as practical.</p> <div style="text-align: center;"> <p><b>HHA/016 Average Days Families with Children in B&amp;B</b></p> <table border="1"> <thead> <tr> <th></th> <th>Q1</th> <th>Q2</th> <th>Q3</th> <th>Q4</th> </tr> </thead> <tbody> <tr> <td>Average Days</td> <td>8.5</td> <td>24.9</td> <td>16.0</td> <td>7.8</td> </tr> <tr> <td>Target</td> <td>10.0</td> <td>10.0</td> <td>10.0</td> <td>10.0</td> </tr> <tr> <td>Intervention</td> <td>20.0</td> <td>20.0</td> <td>20.0</td> <td>20.0</td> </tr> </tbody> </table> </div>		Q1	Q2	Q3	Q4	Average Days	8.5	24.9	16.0	7.8	Target	10.0	10.0	10.0	10.0	Intervention	20.0	20.0	20.0	20.0
	Q1	Q2	Q3	Q4																	
Average Days	8.5	24.9	16.0	7.8																	
Target	10.0	10.0	10.0	10.0																	
Intervention	20.0	20.0	20.0	20.0																	
1.22	<p><b>Single Households</b></p> <p>It is much more challenging to reduce the use of B&amp;B for homeless single households. Within Flintshire, there is a shortage of accommodation for single households. This obviously hinders the ease at which the Local Authority can discharge its statutory duty to provide a single applicant with suitable and affordable permanent accommodation. The shortage of accommodation for single people has been exacerbated by various welfare reforms, which have been introduced since 2013. For example, applying the single room rent rules until a person is 35 years old, has resulted in more single people, with shared access to children, being advised that, within the private rented sector, their maximum Housing Benefit award will be capped at the rent for a room in shared house. Frequently, such accommodation is not appropriate for children to have overnight stays. Very often this means that for those in receipt of benefits, the only affordable option for a one-bedroomed property is in social housing. However, the demand for one-bedroomed social housing flats outstrips supply.</p>																				
1.23	In addition, it is important to recognise that Flintshire does not have a large supply of shared housing within the private rented sector and the standard of some shared properties does not meet the requirements to be deemed 'suitable' under the homeless legislation. To address this issue, the Bond																				

Scheme and the Environmental Health Service are proactively working together to improve standards within shared housing. However, even good quality shared housing does not meet the expectations of many single households and some choose to not accept the accommodation.

1.24 In order to reduce B&B use for single households awaiting a permanent housing solution, the service set a target to bring on line 27 leased temporary units managed by the Housing Solutions Service. There are 21 units up and running and the final 6 will be available by the end of April. In a number of cases the development of leases has made available accommodation that was previously unsuitable for the Housing Solutions service to use. The housing benefit income covers the cost of management which is delivered by the Housing Solutions Service. This arrangement works well for the households, the landlord and the Housing Solutions Service.

1.25 It is intended that single people reside in these properties as a 'short-term' solution to their housing need as the rents are high and can act as a disincentive for a person to enter employment. However, it is already apparent that the required move through to permanent accommodation is not being achieved. To ensure that there is a proactive movement of homeless single households from the temporary units (and consequently reduce the number of single people within B&B's) addressing the lack of permanent suitable and affordable accommodation for single people within Flintshire must be viewed as a priority for the Council.



1.26 **Offender Pathway**

The National Pathway was developed after extensive consultation with organisations including Shelter Cymru and the Welsh Local Government Association (WLGA). It pays particular attention to the needs of people leaving custody to prevent them from becoming homeless, thereby improving their resettlement into society and reducing their risk of reoffending.†

1.27 Prisoners facing homelessness receive support 56 days before their release. The Pathway also clarifies the roles and responsibilities of all agencies and organisations involved in the process, resulting in a more coordinated approach with better support for people leaving custody.

1.28	Every person who enters a Welsh prison is provided with information about the Pathway and informed of what support is available if they do not have anywhere stable to live on leaving prison. HMP Altcourse and Styal prison are the designated host resettlement prisons for offenders returning to North Wales and will be signed up to the national pathway until the Wrexham prison opens. An average of 80% of offenders returning to North Wales will be transferred to a Welsh prison prior to release. The others that cannot be transferred are covered by other arrangements. The Pathway sets out the responsibilities of all agencies involved in the resettlement process.
1.29	All Welsh Local Authorities have been asked to sign up to the pathway. Four North Wales Local Authorities have collaborated to deliver a co-ordination role to manage the Pathway using Transition Funding. Wrexham is the lead for the service which commenced in January 2016. The Welsh Government have reported some early positive outcomes from the national pathway.
1.30	<p><b>Transition funding</b></p> <p>The Welsh Government has made available transition funding to support the implementation of the new legislation. Flintshire was awarded £228,000 in 2015/16 to support the transition. This funding allocation has reduced to £140,000 in 2016/17 and will reduce again in the final year of allocation.</p>
1.31	It is pleasing to report that Flintshire was commended for its use of the transition funding in a review by Shelter Cymru evaluating the success of the new legislation. The service has realised the benefits of the investment within the service and wider areas. If numbers presenting for assistance remain at the current level or continue to increase, there will be a risk in terms of maintaining prevention levels and the availability of suitable options when this funding ends.
1.32	<p>Flintshire has used the funding in three main areas:</p> <p><b>Increase the availability of suitable and affordable private rented properties:-</b></p> <p>It is crucial that there is a range of affordable housing options available in order for the Housing Solutions Service to manage the number of people presenting as homeless or at risk of homelessness. The funding has supported the creation of posts within the Environmental Health Service and the Private Sector Team. The post in the Environmental Health Service helps prevent homelessness by working with landlords to address any issues in privately rented properties. The post also works to improve the standard of properties used by the Bond Scheme. The private sector post has made available additional properties through NEW Homes and the Bond Scheme.</p> <p><b>Homeless Prevention</b></p> <p>The new legislation provides more support for more people. In recognition of the additional work and to provide a proactive focus on the delivery of an effective and efficient homeless prevention service, an additional 1.5 posts were created within the Housing Options Team. The funding has also been used to top up the Housing Options Team's homeless prevention fund. This fund allows the officers to consider innovative approaches to maintain someone in their own home or access alternative accommodation.</p>

### **Support for the Third Sector**

Flintshire has recognised the valuable role of the Third Sector in preventing homelessness. The funding has supported the CAB gateway for benefit and advice services and has continued to fund the in house Shelter Cymru worker. The Shelter Cymru worker provides support within the team and provides an opportunity for us to work for the best outcome for the customer without having to go through adversarial processes and challenges. The partnership working between Flintshire and Shelter Cymru has been recognised as an example of 'good practice' and other Welsh Local Authorities are now developing similar arrangements.

### **Regional Services**

The new homelessness legislation provides an applicant with the legal right to request a review of a decision made by a Local Authority upon their homelessness application at several 'decision making' points. Consequently, the North Wales Heads of Housing agreed to introduce a North Wales Homelessness Decision Reviewing Service and Flintshire County Council took responsibility for developing and delivering the Regional Reviewing Service.

The aim of the Regional Reviewing Service is to manage all legal challenges against the statutory homelessness decisions made by Local Authorities across North Wales and to ensure that there is a consistent approach to the interpretation of the homelessness legislation across the Local Authorities.

The Regional Reviewing Service has received 17 requests for review. The service has been successful in identifying some of the problems experienced by the Local Authorities as they deliver services within the new legislative framework and proposing solutions to these problems. 5 decisions have been upheld, 7 have been overturned, 3 subsequently withdrew their requests and two are pending. A review report has been circulated to demonstrate patterns within reviews to improve services and ensure regional consistency in approach.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The Welsh Government recognised that the implementation of the new homelessness prevention duties would lead to increased costs for Local Authorities. Therefore, in 2015/16 and 2016/17 they made transitional funding available to assist Local Authorities to meet these additional costs (see 1.30 above).
2.02	The proactive homelessness prevention services (described within this report) which are being delivered by the Housing Solutions Service are making a positive contribution to enabling the Local Authority to fulfil all its statutory homelessness duties as cost effectively as possible.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
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3.01	None.
<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None.
<b>5.00</b>	<b>APPENDICES</b>
5.01	None.
<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer: Katie Clubb, Customer Support Manager</b>  <b>Telephone: 01352 703518</b>  <b>E-mail: <a href="mailto:Katie.clubb@flintshire.gov.uk">Katie.clubb@flintshire.gov.uk</a></b></p>
<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Welsh Government Ten Year Homelessness Plan</b> – This ten year plan describes how homelessness in Wales will be tackled between 2009 - 2019. This Ten Year Plan sets out some guiding principles for the development and delivery of homelessness services.</p> <p><b>Housing Solutions Triage</b> – the initial discussion with the customer about their circumstances and housing need.</p> <p><b>Transition Funding</b> – a grant made available to Local Authorities to assist with the implementation of the new legislation. This is available over three years with the level reducing over the period.</p>

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## COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday, 13 April 2016
<b>Report Subject</b>	Communities First
<b>Cabinet Member</b>	Cabinet Member, Economic Development
<b>Report Author</b>	Chief Officer, (Community & Enterprise)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The Communities First programme is one of the main Welsh Government programmes to tackle poverty in 52 of the most deprived neighbourhoods in Wales. Originally launched in 2001, the programme has evolved significantly since its inception. This report provides a summary of the progress made in implementing the programme in Flintshire and an update on the future direction of the programme.

### RECOMMENDATIONS

1	The Committee is asked to note the progress in implementing the Communities First programme in Flintshire.
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## REPORT DETAILS

1.00	EXPLAINING THE CONTENT OF THE REPORT
1.01	<p>The Communities First programme was launched by Welsh Government in 2001. The programme “supports and encourages local actions which address the long-term causes and effects of poverty in the most deprived areas in Wales. It does so by supporting projects and initiatives which help to narrow the economic, health, education and skills gaps between our most deprived and more affluent communities. It supports activity in 52 clusters (of deprived neighbourhoods) across Wales including two in Flintshire; the East Cluster in Deeside and the West Cluster incorporating parts of Mold, Holywell and Flint.</p>
1.02	<p>Welsh Government ask each Cluster to deliver activity against three national outcomes: prosperous communities, learning communities and healthy communities. Each Cluster prepares an annual delivery plan and community involvement plan which summarises the projects to be delivered and how local people will be engaged in the work of the programme.</p>
1.03	<p>Prosperity has become the most prominent of the themes in the programme, partly in response to the economic downturn. Key areas of work in Flintshire include:</p> <ul style="list-style-type: none"> <li>• Jobs Clubs</li> <li>• Jobs Fairs</li> <li>• Dragon’s Den and the Business Entrepreneurship Network</li> <li>• Responding to employment opportunities</li> <li>• Community benefits</li> </ul> <p>In 2015/16 across both East and West clusters over 1300 individual participants have engaged in prosperity focussed activities including Job Clubs, Job Fairs and the Local Labour Market Initiative. As a result of this 200 individuals have secured employment.</p> <p>Jobs Clubs currently take place weekly at Connah's Quay Connects, John Summers' Community Campus, Deeside CAB, Holywell Library and Flint Library.</p> <p>A Jobs, Skills and Training Events steering group has been established following a number of successful collaborative projects between Communities First, Careers Wales and Jobcentre Plus which have included Primark, Marston’s, Iceland and The Range recruitment events. This group will focus on specific employment themes over the year including Care, Construction and Retail. These meetings take place on a monthly basis.</p> <ul style="list-style-type: none"> <li>• 14.04.16 Joint Job Fair to take place at Civic Hall Connah's Quay. Event organised in partnership with Job Centre Plus, Careers Wales.</li> <li>• 24.08.16 Joint Health &amp; Well-being employability Event to take</li> </ul>

place at Civic Hall Connah's Quay. The event will be organised in partnership with Job Centre Plus, Careers Wales and the Health & Well-being Forum.

### **Business Entrepreneurship Network**

- **28 Fortnightly Enterprise Sessions**
- 114 attended Enterprise Club / Surgeries across both Communities First Clusters
- 4 Individuals launched businesses
  
- **2 Dragons Dens**
- 13 Attended and pitched ideas to Dragons
  
- **1 Celebration Event**
- 50 Delegates attended
- 17 Enterprise Club members attended
- 9 Business Entrepreneurs volunteering free mentoring for the BEN (Business Entrepreneurship Network)
  
- Attendees who attend workshops are given access to the support of the Lead Officer for Enterprise & Entrepreneurship and additional support of Business Wales and the Mentoring programme which is being piloted for the Enterprise Club only.
- Additional Enterprise Information Surgeries are held in the JCP offices in Shotton Flint & Mold and there will be bespoke enterprise sessions held to give information on Enterprise.
- An Explore Enterprise Workshop was held with Groundwork students 16 - 24 years to deliver enterprise as an alternative employment theme. The session was delivered with the support of six entrepreneurs and Business Wales.

### **Dragons Den**

- Venue for both events Coleg Cambria
- Attendees across both Communities First clusters were given the opportunity to pitch their business idea.

### **New pilot projects for 2016 - 2017**

Working in Communities First High schools to deliver workshops with a range of opportunities that are available under the umbrella of enterprise and transferable skills.

Workshops to include:-

- identifying personal strengths/areas for development
- interview skills
- communication skills/group discussions
- theatre workshops

1.04

The learning theme underpins the prosperity theme by re-engaging local people in learning, linking learners to the needs of employers and providing key life skills to vulnerable people. Key areas of work in Flintshire include:

- STEM – A science club has been established in Flint, this will be rolled out across both Clusters.

	<ul style="list-style-type: none"> <li>• 55 Young Learners supported an Arts project in partnership with Theatr Clwyd,</li> <li>• Financial literacy delivered in Schools and within the community to Adults.</li> <li>• Family Learning Signature.</li> <li>• Community based learning courses</li> <li>• In 2015/16 Communities First engaged with a large number of local people delivering a number of Community Led courses. Including Food Hygiene and Health and safety.</li> </ul> <p>Over 140 Local people attended the above courses.</p>
1.05	<p>The health theme includes:</p> <ul style="list-style-type: none"> <li>• Family nutrition sessions including supporting Food Coops within the community.</li> <li>• Stress reduction courses</li> <li>• Tackling isolation in older people, supporting Luncheon Clubs and Memory Cafes.</li> <li>• Dementia Support.</li> <li>• Close working relations between CF and Local GPs and Pharmacies.</li> <li>• Mindfulness courses – Mindfulness helps people to improve their mental Wellbeing through developing skills of Mindful practice. We have delivered a Mindfulness course in Mold and 8 Local people attended.</li> <li>• All the above is delivered throughout both CF Clusters in the local community.</li> <li>• Support is also given to Parent and Toddler groups in relation to Health and Wellbeing, in partnership with Families First and Flying start.</li> </ul>
1.06	<p>The LIFT programme was added to Communities First in Flintshire in September 2014; one of nine pilot areas across Wales. Two Mentors employed through the programme provide intensive support to people from workless households to encourage them to re-engage with the labour market, help them to overcome barriers to employment, and support them in gaining skills and work experience. Since its launch in Flintshire LIFT has engaged 114 people and helped 29 to enter employment.</p>
1.07	<p>There are a number of significant changes expected to the Communities First programme in 2016/17:</p> <ol style="list-style-type: none"> <li>1. The structure of the Communities First team has been reviewed and a new structure is currently being implemented. There is now one Manager to cover both Clusters and the new staff structure responds to this change, providing for more effective management and reducing staffing costs which can be reinvested in project delivery.</li> <li>2. Welsh Government has launched the Communities 4 Work (C4W) programme across all 52 clusters in Wales. The programme is a partnership with the Department of Work and Pensions (DWP) and mentors employed by both DWP and Communities First will engage and support young people not in education employment or training</li> </ol>

	<p>and with long-term unemployed adults.</p> <p>3. The Communities First team currently operates from three offices and delivers services from a wide range of community venues to meet local needs. The office bases for the programme will be reduced to one and the savings used for project delivery which will continue across all areas.</p> <p>4. Welsh Government expects the four main programmes tackling poverty to increase their integration; Communities First, Flying Start, Families First and Supporting People. These programmes are already integrated in many of their delivery arrangements but increased joint planning and commissioning is expected in the future.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	The Communities First programme is 100% funded by Welsh Government. The level of funding for the programme for 2016/17 remains unchanged from the previous year at £676,315.00 The funding from Welsh Government supports a dedicated staff team of 15 officers.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Welsh Government require an annual community involvement plan to be in place to ensure that the work of the programme is relevant to the neighbours in which it operates.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	No significant risks arising from this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	None.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Office:</b> Niall Waller  <b>Telephone:</b> 01352 702137  <b>E-mail:</b> niall.waller@flintshire.gov.uk</p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>LIFT</b> – a Welsh Government programme operating across 9 pilot areas of Wales and providing intensive mentoring support to help people who have been unemployed for 6months or more, from workless households to get closer to the labour market.
7.02	<b>Communities for Work</b> – a new European funded programme from the Welsh Government to guide people from a Communities First areas into employment. This is aimed and 16-24 year olds and over 25yrs.



## COMMUNITY & ENTERPRISE OVERVIEW & SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday 13 <sup>th</sup> April, 2016
<b>Report Subject</b>	Forward Work Programme
<b>Cabinet Member</b>	N/A
<b>Report Author</b>	Community & Enterprise Overview & Scrutiny Facilitator
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Overview & Scrutiny presents a unique opportunity for Members to determine the Forward Work programme of the Committee 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.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for the Community & Enterprise Overview & Scrutiny Committee.

### RECOMMENDATIONS

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Facilitator, in consultation with the Chair and Vice-Chair of the Committee be authorised to vary the Forward Work Programme between meetings, as the need arises.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE FORWARD WORK PROGRAMME</b>
1.01	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 Improvement Plan.
1.02	<p>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:</p> <ol style="list-style-type: none"><li>1. Will the review contribute to the Council's priorities and/or objectives?</li><li>2. Is it an area of major change or risk?</li><li>3. Are there issues of concern in performance?</li><li>4. Is there new Government guidance of legislation?</li><li>5. Is it prompted by the work carried out by Regulators/Internal Audit?</li></ol>
<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.
<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Publication of this report constitutes consultation.
<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None as a result of this report.
<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Current Forward Work Programme
<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Ceri Shotton Overview &amp; Scrutiny Facilitator</p> <p><b>Telephone:</b> 01352 702305</p> <p><b>E-mail:</b> <a href="mailto:ceri.shotton@flintshire.gov.uk">ceri.shotton@flintshire.gov.uk</a></p>



7.00	<b>GLOSSARY OF TERMS</b>
7.01	<b>Improvement Plan:</b> the document which sets out the annual priorities of the Council. It is a requirement of the Local Government (Wales) Measure 2009 to set Improvement Objectives and publish an Improvement Plan.

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**CURRENT FWP**

<b>Date of meeting</b>	<b>Subject</b>	<b>Purpose of Report</b>	<b>Scrutiny Focus</b>	<b>Report Author</b>	<b>Submission Deadline</b>
<b>9 May, 2016</b>	<b>Strategic Housing and Regeneration Project (SHARP)</b>	To seek Members support on the first phase Housing schemes, tenure, mix size and funding arrangements.	Consultation	Service Manager, Housing Programmes	<b>3 May 2016</b>
	<b>The Welsh Housing Quality Standard (WHQS) – Verification in achieving and maintaining the Standard: next Steps</b>	To present the development of a Strategy and approach to verifying achievement of the WHQS. And to provide an update on the suggestion for WHQS improvements to be delayed for tenants with long-term rent arrears.	Consultation	Senior Manager, Council Housing Services	
	<b>Review of the Fair Debt Policy</b>	To review the impact of the Fair Debt Policy previously approved by Cabinet.	Assurance/Monitoring	Income Manager	
<b>8 June, 2016</b>	<b>Q4 – Year End Improvement Plan Monitoring Reports</b>	To enable Members to fulfil their scrutiny role in relation to performance monitoring.	Assurance/Monitoring	Community & Enterprise Facilitator	<b>1 June 2016</b>

	<b>Purchase of ex council stock</b>	To consider proposals and criteria for the repurchase of ex council property	Consultation	Service Manager, Housing Programmes	
	<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>Deeside Plan</b>	To enable the Committee to consider the Deeside Plan	Consultation	Service Manager, Enterprise, and Regeneration Programmes	
<b>13 July, 2016</b>	<b>Strategic Housing and Regeneration Project (SHARP)</b>	To review progress on the Strategic Housing and Regeneration Project (SHARP)	Assurance/Monitoring	Service Manager, Housing Programmes	<b>6 July 2016</b>
	<b>Housing Regeneration Programmes</b>	To update the Committee on the Housing Regeneration Programmes	Assurance/Monitoring	Service Manager, Enterprise, and Regeneration Programmes	

**Items to be scheduled**

- Service Charges for garden service – December 2016
- Business Rates Policy 2017/18 – Discretionary relief for Charitable, Voluntary and not for profit Organisations
- Update report on partnership working between the Council and Travis Perkins
- Town Centre Regeneration – October 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)

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