

Response to Consultation Document
New Local Authority Self Financing system
Flintshire County Council
10th July 2014

Consultation questions:

1. Do you agree with the proposal to distribute the settlement value based on negativity subsidy amounts?

Flintshire recognises that this potentially reinforces an imperfect historical system, but agrees that this is the fairest method for distribution.

2. Do you agree with the proposal to distribute the borrowing cap based upon Option 3 to allow for new build commitments whilst also providing potential headroom for new build to every authority?

Flintshire does support the proposal to use Option 3 to distribute the borrowing cap. Although this disadvantages Flintshire council where there are developed plans for new build it is recognised by the council as the fairest Option to allow some new build across all 11 councils.

3. Do you agree that the Welsh Government should retain a small proportion of the borrowing headroom as a contingency?

Flintshire council is not supportive of this proposal as it can see no clear rationale or advantage in doing so. We need to maximise the opportunity to meet local housing need.

4. What are your views on how we allocate any unallocated borrowing headroom now or in the future?

As above we do not support leaving any of the headroom unallocated. For the future we would like to see any new additional headroom negotiated based on business plan needs at that time.

5. Do you agree that the borrowing cap should be reviewed every three years with the first review in 2018/9?

Flintshire is agreeable for the cap being reviewed with WG, on the basis of a voluntary "offering up" of any spare capacity.

6. What action should WG take on a LHA who has not delivered on their ability to utilise their borrowing cap?

Flintshire believes that this should be negotiated through with the individual authority rather than there being a need for "sanctions". Each Local Authority is accountable to WG to meet both the WHQS standard and to deliver its

individual new build plans. Failure to achieve either in (a cost effective way and in) accordance with agreed timescales is already part of the annual MRA monitoring process and this will continue under self financing.

7. Any further comments

Flintshire is delighted that self financing can now be introduced in Wales and thanks the Welsh Government for leading this work. There are two further areas of strategic discussion and commitment/actions needed to safeguard business plans over the medium to long term. These are, the need for a clear understanding about the long term funding of MRA and an urgent need for a review of the Right to Buy. Councils all want to build but are concerned that the current suspension system does not provide sufficient safeguard to ensure that newly developed assets can be used in perpetuity to meet social housing need.