

## CABINET

<b>Date of Meeting</b>	Tuesday, 17 <sup>th</sup> October 2023
<b>Report Subject</b>	Flintshire Housing Need Prospectus
<b>Cabinet Member</b>	Cabinet Member for Housing and Regeneration
<b>Report Author</b>	Chief Officer (Housing and Communities)
<b>Type of Report</b>	Strategic

### **EXECUTIVE SUMMARY**

Welsh Government (WG) requires that each Local Authority (LA) develop a Housing Needs Prospectus to be updated on an annual basis.

The current prospectus has been reviewed and an updated draft developed for approval. The format and content have not changed significantly to alter the direction of travel set out in last year's prospectus. The changes identified in the report reflect the increasing demand for social housing from the housing register and homelessness duties including significantly increased demand for temporary accommodation which is impacting on the homeless prevention team and the Councils revenue budget.

The Local Development Plan (LDP) was formally adopted on the 24<sup>th</sup> January 2023 and covers the period 2015 to 2030. It forms part of the statutory development plan alongside Future Wales: The National Plan 2040.

This report provides the annual update on the Council Housing Needs prospectus in order to ensure, that as part of the WG Grant framework, the LA identifies their priorities for Social Housing Grant, in addition to providing a clear and concise summary of housing need and demand.

The Prospectus will be used by WG to approve the Programme Delivery/Development Plan (PDP) and to ensure that schemes are meeting the identified need and priorities including progress towards meeting the priorities set out in the Local Housing Strategy 2019-24.

<b>RECOMMENDATIONS</b>	
1.	Cabinet to approve the content of the draft Flintshire Housing Need Prospectus.

2.	Cabinet note the Local Housing Strategy 2019-24 is due for review next year.
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**REPORT DETAILS**

<b>2.00</b>	<b>EXPLAINING THE HOUSING NEED PROSPECTUS</b>
2.01	Welsh Government (WG) requires that each Local Authority (LA) updates their Housing Need Prospectus on an annual basis.
2.02	The aim of the prospectus is to inform affordable housing delivery and shape the Social Housing Grant (SHG) programme by setting out what the LA priorities are and to provide a guide about what type of housing is needed and in what locations.
2.03	<p>For 2023/24 WG has advised that the Flintshire County Council (FCC) SHG allocation is £13,352,142. WG has set budgets for the next three years. The allocation for years two and three is also £13,352,142.</p> <p>Over this three-year period Flintshire will be allocated circa £40m, however, it has received applications for SHG schemes currently totalling £64m. We currently have around 28 “Main” Schemes listed in the PDP with SHG Grant funding allocated.</p> <p>In attempting to try and ensure that all viable Schemes are included within the PDP it is possible that some allocated grant funding may fall outside the year three funding window.</p>
2.04	<p>The Transitional Accommodation Capital Programme (TACP) has been re-opened and the WG has invited applications for funding directly from LAs and Registered Social Landlords (RSLs). The aim of this funding is to support people with move on from temporary accommodation into longer term accommodation.</p> <p>TACP funding may be used for the following:</p> <ul style="list-style-type: none"> <li>• Demolition and newbuild of existing stock.</li> <li>• Voids (bringing longer term voids back into use).</li> <li>• Using available sites awaiting re-development for long term use or meanwhile use.</li> <li>• Converting existing (non-residential) buildings owned by Social Landlords.</li> <li>• Property acquisitions (off the market including long term empty properties).</li> <li>• Property acquisitions from Private Developers (i.e., Off the shelf acquisitions).</li> <li>• Property acquisitions from Private Rented Sector (including the purchase of tenanted properties).</li> <li>• Purchasing of HMOs to convert into family accommodation or self-contained flats at point of purchase.</li> <li>• Buying buildings to convert into housing.</li> </ul>

2.05	Strategic Capital Programme funding has also been announced. The Council has provided a list of potential Capital projects for the 7-10 year North Wales Strategy. The Schemes proposed by the Council relate to the development of specialist Learning Disability accommodation.
2.06	To access SHG, housing providers (e.g., Registered Social Landlords / FCC) now apply to FCC's Housing Strategy team and WG via an online portal named Manage Homes and Places to request support for funding.
2.07	It is intended that housing providers will refer to the prospectus when they are progressing new affordable housing development sites so they can plan to deliver schemes that better meet the Councils priorities and the housing need for the area.
2.08	WG will refer to the prospectus when they are scrutinising SHG applications.
2.09	The draft Flintshire Housing Need Prospectus has been written in collaboration with Social Services, the Homelessness team and Planning Service and reflects the Council's current demands on services and the ambitions set out in the Flintshire Housing Strategy 2019-24.
2.10	It is intended that the prospectus will be refreshed annually and will be an evolving document that can flex as the Council's housing priorities and needs change. This includes reflecting the Local Housing Market Assessment (LHMA) when it is updated later this year.
2.11	The Local Development plan (LDP) was formally adopted on the 24 <sup>th</sup> January 2023.
2.12	The FCC Housing Needs Prospectus (appendix 1) has been updated to explain how the LA's priorities have been determined.
2.13	The Prospectus will be presented annually to Cabinet and Housing Association partners via the RSL Strategic Housing Group. Although WG has not requested that the prospectus be updated this year, due to the LDP now being adopted, it has been refreshed to reflect the increasing pressures on homeless services and temporary accommodation.

<b>3.00</b>	<b>RESOURCE IMPLICATIONS</b>
3.01	<p>Revenue: the Housing Prospectus is a strategic guidance document. There are implications for the approved revenue budget for both the current financial year and for future financial years. This includes significant additional temporary accommodation costs for accommodating homeless households and Social Services costs for care.</p> <p>Capital: the FCC Housing Needs Prospectus is a strategic document, there are no implications for the approved capital programme relating to the Strategy or Action Plan.</p>

	<p>Human Resources: The Housing Strategy team is operating with limited resources. Two Apprentices, subject to their achieving the required grades to access University places have been recruited and are due to commence September 2023.</p> <p>The Housing Team is currently exploring options to recruit for a Project post in relation to “Buy Back” properties.</p>
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<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The requirement for LAs to develop a Housing Need Prospectus has been instigated by WG. If the LA fails to submit an updated Housing Need Prospectus when requested by WG then future affordable housing schemes that receive SHG support may not meet LA priorities or housing need.
4.02	Cost of living pressures and the impacts of the War in Ukraine are continuing to place significant cost and availability pressures placed on labour and materials.
4.03	<p>Environmental impacts of phosphates on drainage systems.</p> <p>As part of the LDP adoption process, the Planning Strategy Team have already developed a Phosphate Mitigation Strategy in collaboration with Wrexham County Borough Council. Work by Welsh Water and Natural Resources Wales also continues in relation to a review of Waste Water Treatment Works and whether they have permits to treat phosphorous and are operating within those permits. NRW have recently confirmed permits for Mold and Buckley treatment works and will release their review for Hope works shortly, where the outcome has confirmed that headroom capacity exists at each works to treat further phosphorous from new development, thereby removing the need to mitigate for any phosphate impact.</p>
4.04	The challenging economic situation and the additional costs of borrowing and servicing debt repayments may impact on RSL’s ability to borrow.
4.05	As a result of raising interest rates and the likely trajectory of rates to rise there is a potential risk of increased demand on homeless prevention services if repossessions should start to grow which may also result in increased demand for social and affordable homes.
4.06	Scheme viability may be impacted by rising costs. This may be mitigated by use of fluctuation clauses within build contracts. In addition, WG has recognised the challenges and has increased the amount of Grant funding that may be available for each property type. This has been achieved by the WG increasing the Acceptable Cost Guidance (ACG’s) for each property type being developed and adjusting the formula.
4.07	There are challenges relating to recruitment and retention of staff. Partnership options will be explored to manage development processes.

4.08	<p>An internal Audit was undertaken in 2022/23 – Right Type of Home in the Right Location - Housing and Communities. The Final report dated March 2022/23 was rated amber/green; key controls generally operating effectively but with recommendations in relation to some fine tuning which we have implemented including the creation of a risk register.</p> <p>Schemes are appraised on a regular basis to ensure that where possible, risks are identified at an early stage and mitigating actions are taken to ensure the timely delivery of Schemes within the PDP.</p>																		
4.9	<p><b>Ways of Working (Sustainable Development) Principles Impact</b></p> <table border="1" data-bbox="320 573 1385 1283"> <tr> <td data-bbox="320 573 743 689">Long-term</td> <td data-bbox="743 573 1385 689">Positive - more affordable homes will be provided in the right location.</td> </tr> <tr> <td data-bbox="320 689 743 837">Prevention</td> <td data-bbox="743 689 1385 837">Preventing - preventing people becoming homeless by developing accommodation to meet Local Authority priorities.</td> </tr> <tr> <td data-bbox="320 837 743 985">Integration</td> <td data-bbox="743 837 1385 985">Positive – the delivery of a range of affordable homes will contribute to integration within communities</td> </tr> <tr> <td data-bbox="320 985 743 1133">Collaboration</td> <td data-bbox="743 985 1385 1133">Positive – the SHG programme is delivered in partnership with RSLs and WG.</td> </tr> <tr> <td data-bbox="320 1133 743 1283">Involvement</td> <td data-bbox="743 1133 1385 1283">Positive - the SHG programme involves a range of stakeholders to enable its delivery.</td> </tr> </table> <p><b>Well-being Goals Impact</b></p> <table border="1" data-bbox="320 1431 1385 2072"> <tr> <td data-bbox="320 1431 743 1543">Prosperous Wales</td> <td data-bbox="743 1431 1385 1543">Positive - ensuring the right homes are built and in the right places.</td> </tr> <tr> <td data-bbox="320 1543 743 1731">Resilient Wales</td> <td data-bbox="743 1543 1385 1731">Positive - new homes are built to a good quality and built to high environmental standards as required by WG as part of the SHG process.</td> </tr> <tr> <td data-bbox="320 1731 743 1919">Healthier Wales</td> <td data-bbox="743 1731 1385 1919">Positive - ensuring homes meet the needs of all people in our society including those who are most vulnerable supporting their well-being.</td> </tr> <tr> <td data-bbox="320 1919 743 2072">More equal Wales</td> <td data-bbox="743 1919 1385 2072">Positive - providing good quality and decent homes for vulnerable people including homeless accommodation, single household, specially adapted homes etc.</td> </tr> </table>	Long-term	Positive - more affordable homes will be provided in the right location.	Prevention	Preventing - preventing people becoming homeless by developing accommodation to meet Local Authority priorities.	Integration	Positive – the delivery of a range of affordable homes will contribute to integration within communities	Collaboration	Positive – the SHG programme is delivered in partnership with RSLs and WG.	Involvement	Positive - the SHG programme involves a range of stakeholders to enable its delivery.	Prosperous Wales	Positive - ensuring the right homes are built and in the right places.	Resilient Wales	Positive - new homes are built to a good quality and built to high environmental standards as required by WG as part of the SHG process.	Healthier Wales	Positive - ensuring homes meet the needs of all people in our society including those who are most vulnerable supporting their well-being.	More equal Wales	Positive - providing good quality and decent homes for vulnerable people including homeless accommodation, single household, specially adapted homes etc.
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	Cohesive Wales	Positive - contributing to attractive, viable, safe, and well-connected communities through promoting good design and collaborative delivery.
	Vibrant Wales	Positive - ensuring our communities are diverse by developing a range of property types and tenures based on housing need and LA priorities.
	Globally responsible Wales	Positive – the prospectus will inform new-build developments that will contribute to improving the economic, social, environmental and cultural well-being of Wales.

<b>5.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
5.01	The prospectus has been written in collaboration with Social Services, the Homelessness team and the Planning Service.
5.02	The report was presented to the Community, Housing and Assets Overview and Scrutiny Committee on the 13 <sup>th</sup> September 2023.

<b>6.00</b>	<b>APPENDICES</b>
6.01	Appendix 1 – Proposed Flintshire Housing Need Prospectus

<b>7.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
7.01	Local Development Plan (LDP) <a href="https://www.flintshire.gov.uk/en/Resident/Planning/Flintshire-Local-Development-Plan.aspx">https://www.flintshire.gov.uk/en/Resident/Planning/Flintshire-Local-Development-Plan.aspx</a>

<b>8.00</b>	<b>CONTACT OFFICER DETAILS</b>
8.01	<b>Contact Officer:</b> Marj Cooper, Housing Strategy Manager <b>Telephone:</b> 01352 70 3721 <b>E-mail:</b> : <a href="mailto:marj.cooper@flintshire.gov.uk">marj.cooper@flintshire.gov.uk</a>

9.00	<b>GLOSSARY OF TERMS</b>
9.01	<p><b>Social Housing Grant (SHG)</b>– Welsh Government funding that may be available to Housing associations and developing Local Authorities. It is to help fund new affordable housing e.g. for social rent. To qualify for grant homes must comply with Welsh Government Development Quality Requirements (WDQR) and complete the current Grant application form and ensure that any scheme meets the WG standard viability tests.</p> <p><b>Transitional Accommodation Capital Programme (TACP)</b> - TACP funding may be used for the following:</p> <ul style="list-style-type: none"> <li>• Demolition and newbuild of existing stock.</li> <li>• Voids (bringing longer term voids back into use).</li> <li>• Using available sites awaiting re-development for long term use or meanwhile use.</li> <li>• Converting existing (non-residential) buildings owned by Social Landlords.</li> <li>• Property acquisitions (off the market including long term empty properties).</li> <li>• Property acquisitions from Private Developers i.e., Off the shelf acquisitions).</li> <li>• Property acquisitions from Private Rented Sector (including the purchase of tenanted properties).</li> <li>• Purchasing of HMOs to convert into family accommodation or self-contained flats at point of purchase.</li> <li>• Buying buildings to convert into housing.</li> </ul>