

## COMMUNITY & ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday, 20 <sup>th</sup> September 2017
<b>Report Subject</b>	Social Housing Grant (SHG) Programme
<b>Cabinet Member</b>	Deputy Leader of the Council and Cabinet Member for Housing
<b>Report Author</b>	Chief Officer (Community and Enterprise)
<b>Type of Report</b>	Strategic - For information only

### EXECUTIVE SUMMARY

This report describes the current Social Housing Grant (SHG) programme. The programme funds a range of affordable housing which is delivered by Registered Social Landlords (RSLs) in Flintshire.

The funding for the programme is held by Welsh Government, however, the Local Authority has a responsibility to prioritise the types of schemes required to meet local need, as well as to manage and report on the progress of the programme to Welsh Government.

The SHG indicative allocation for the next 3 years totals £12.1m and will deliver: 158 social rented properties; 45 supported housing; and 55 Extracare units.

### RECOMMENDATIONS

1	To consider and comment on the Flintshire social housing grant programme.
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## REPORT DETAILS

1.00	THE FLINTSHIRE SOCIAL HOUSING GRANT PROGRAMME
1.01	<p>Welsh Government (WG) is committed to increasing the supply of affordable homes with a target of 20,000 new affordable homes to be delivered by the end of the current political term. The Social Housing Grant (SHG) programme forms one of the delivery mechanisms to achieve this target.</p> <p>One of the Council's strategic aims is to be a 'Supportive Council' and to achieve this it will:</p> <ul style="list-style-type: none"><li>• Deliver appropriate and affordable homes;</li><li>• Deliver modern, efficient and adapted homes;</li><li>• Protect people from poverty; and</li><li>• Support people to live independently.</li></ul> <p>To achieve these priorities the Council aims to provide new social and affordable homes through:</p> <ul style="list-style-type: none"><li>• Increasing the numbers of new Council and affordable homes through the SHARP programme;</li><li>• Maximising the number of new affordable homes provided through the planning system;</li><li>• <b>Increasing the numbers of affordable units provided through the Social Housing Grant (SHG) programme, including Extra Care provision;</b></li><li>• Delivering new, innovative low rent housing schemes.</li><li>• Address fuel poverty through energy efficiency measures; and</li><li>• Provide adaptations / adapted homes to assist people in living independently.</li></ul>
1.02	<p>The Social Housing Grant (SHG) is a Welsh Government funding stream to provide social and affordable rented homes through Registered Social Landlords (RSLs). RSLs can apply for SHG to cover 58% of total eligible costs for social rented properties or 25% for intermediate rented properties. The funding is retained by Welsh Government, with each Local Authority (LA) area having an indicative allocation at the beginning of each year and a projected allocation for a further 2 years.</p> <p>The rolling affordable housing programme consists of a range of schemes delivered by the Council's partner RSLs. The funding can contribute towards the cost of delivering the following, subject to the LA's agreement that it contributes towards their strategic priorities:</p> <ul style="list-style-type: none"><li>• general needs social or intermediate rented housing;</li><li>• schemes which contribute towards the LA's strategy for older persons;</li><li>• Extracare housing;</li><li>• Supported housing schemes;</li><li>• Do-it-yourself Homebuy;</li><li>• Accommodation linked to projects for the prevention and treatment</li></ul>

	<p>of drugs and substance misuse;</p> <ul style="list-style-type: none"> <li>• Schemes to support community regeneration;</li> <li>• Mortgage rescue; and</li> <li>• Empty properties.</li> </ul> <p>In order for an RSL to develop affordable housing in Flintshire they need to be 'zoned' by Welsh Government and the RSLs currently zoned to deliver in Flintshire are:</p> <ul style="list-style-type: none"> <li>• First Choice Housing Association;</li> <li>• Grwp Cynefin Housing Association;</li> <li>• Pennaf Housing Association (umbrella company for Clwyd Alan);</li> <li>• Wales and West Housing Association.</li> </ul>
1.03	<p>In line with the corporate priorities and based on areas of housing need in Flintshire, the following are the headline priorities for the programme.</p> <ul style="list-style-type: none"> <li>• Supported Housing - In order to support residents to live independently, Flintshire maintains a Specialist Housing Register which identifies people registered for social housing who require some form of specialist / supported provision within their home (e.g. adaptation). Flintshire has a requirement for specialist housing to meet the needs of people with either physical, learning or sensory disabilities, as well as people with mental health issues.</li> <li>• Social Housing - The numbers on the social housing register are increasing, there were 960 households on the list in April 2016 and this has risen to 1,573 in June 2017. The demand for smaller social stock outstrips supply and presents a much more challenging situation, with 37% of all households on the common housing register being individuals under 60 years requiring single 1-bed accommodation. Therefore, the Council's priority to address the issues outlined is for 1 bed accommodation as well as 2 and 3 bed houses.</li> </ul>
1.04	<p>At a local level the programme is managed by the Housing Strategy Manager who reports on a quarterly basis to Welsh Government through the Programme Delivery Plan (PDP). The PDP sets out the individual RSL schemes, their funding requirements by year and their delivery milestones (i.e. planning status).</p> <p>The RSLs consult with the Housing Strategy Manager at inception of the scheme and, during its pre-planning and delivery stages, the RSLs update on a quarterly basis at a regular meeting of all RSLs and the Housing Strategy Manager.</p> <p>Once the scheme is supported by the Local Authority it is included in the PDP, which indicates to Welsh Government that the scheme is supported by the Local Authority. Welsh Government appraise the individual schemes to ensure they meet the required space and value for money criteria and issue the grant condition agreement.</p>
1.05	<p>The current Programme Delivery Plan for Flintshire has the following <u>indicative</u> SHG allocations (final allocations to be confirmed):</p>

	<p>2017/18 £4.5m  2018/19 £5.9m  2019/20 £1.7m  Total: £12.1m</p> <p>In addition the RSLs are expected to utilise Housing Finance Grant 2 (HFG2) funding to 'blend' with SHG. HFG2 is paid over 30 years to the RSL and is shown on the PDP as an allocation but the LA has little influence over the use of this element of funding.</p> <p>2017/18 £2.4m  2018/19 £1.4m  2019/20 £0.9m  Total: £4.7m</p> <p>Appendix 1 describes the full programme of planned development for the financial years 2017/18 to 2019/20.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	N/A

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The individual RSLs will manage their own development risks and the Welsh Government manages the financial risk. Therefore the primary risk to Flintshire County Council is if the schemes are not delivered and the funding is not spent potentially impacting on our reputation with Welsh Government and the amount of future allocations. The Council mitigates this risk through quarterly meetings with the RSLs and gathering information on the progress on a scheme by scheme basis, reporting back to WG on progress.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 - full programme of planned development for the financial years 2017/18 to 2019/20.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
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6.01	<p>None</p> <p><b>Contact Officer:</b> Lesley Bassett, Housing Strategy Manager  <b>Telephone:</b> 01352 701433  <b>E-mail:</b> Lesley.Bassett@flintshire.gov.uk</p>
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7.00	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Social rent</b> – provided by Local Authorities and RSLs where rent levels have regard to the Welsh Governments guideline rents and benchmark rents.</p> <p><b>Intermediate rent</b> – where rents are above those of social rent but below market rent.</p> <p><b>Extracare Housing</b> – a development providing individual residential units with care packages for people over a specified age managed by RSLs.</p> <p><b>Supported Housing</b> – Accommodation for people with additional needs or care requirements, such physically disabled, learning disability, sensory impairment.</p> <p><b>Homebuy</b> – scheme operated by RSLs under which existing social housing tenants and those on housing waiting lists can purchase a home with an interest free equity loan.</p> <p><b>Registered Social Landlord (RSL)</b> – technical name for social landlords that own or manage social housing and registered with, and regulated by, the Welsh Government. Most RSLs are Housing Associations (independent, not-for-profit organisations which are able to bid for Social Housing Grant funding).</p> <p><b>Housing Finance Grant 2 (HFG2)</b> – capital grant for RSLs provided over a 25-30 year timeframe to cover a percentage of the cost of development.</p> <p><b>Programme Development Plan (PDP)</b> – the plan which sets out the development programme for the area, provided by Welsh Government for Local Authorities to complete and manage.</p> <p><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.</p>