

CABINET

Date of Meeting	Tuesday 17 March 2020
Report Subject	Independent Affordable Housing Supply Review
Cabinet Member	Cabinet Member for Housing
Report Author	Chief Officer (Housing and Assets)
Type of Report	Strategic

EXECUTIVE SUMMARY

This report details the recommendations of the independent review of Affordable Housing Supply in Wales which were published in May 2019.

In July 2019, the Minister for Housing and Local Government, Julie James AM, published the Welsh Government's response to the recommendations made, along with indicative timeframe for completion.

This report provides an update on the progress made upon these recommendations by Welsh Government to date and details how Flintshire and its strategic partners have been working on both a local and regional basis to improve delivery arrangements for the supply of new housing.

RECOMMENDATIONS

1	That Cabinet notes the attached recommendations from the review, and the Ministers comments, and receives further updates as the implications of the recommended actions are further developed.
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REPORT DETAILS

1.00	EXPLAINING INDEPENDENT AFFORDABLE HOUSNG REVIEW
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1.01	<p>In 2018 Welsh Government commissioned an independent review of Affordable Housing Supply in Wales (refer to 6.01). Appendix 1 details the recommendations released by the Independent Panel in May 2019 and the Minister’s response. The main report covered eight areas relating to affordable housing supply;</p> <ol style="list-style-type: none"> 1) Housing Need 2) Housing Quality Standards 3) MMC 4) Rent policy 5) Local Authorities as Enablers and Builders 6) Public Sector Land 7) Financing Affordable Housing 8) Dowry and MRA. <p>Flintshire County Council were represented on the Rent Policy, Local Authorities as Enablers and Builders and Financing Affordable Housing work streams panels.</p>
1.02	<p>Welsh Government set out the key actions to implement the recommendations as well as timeframes for completion.</p> <p>Within the table, there is an update from the Council on the work which is currently being undertaken on both a local and regional basis with strategic partners to deliver these recommendations.</p> <p>However, in some instances it is still too early to understand the full implications of the recommendations as Welsh Government (WG) have yet to undertake a review of the recommendation or to do more work to ascertain how they can be developed and implemented.</p>
	<p>Key Findings</p>
1.03	<p>Housing Need - WG are committed to reviewing housing need data including supporting local authorities to produce up to date Local Housing Market Assessments (LHMAs). The implication for the Council would be to ensure there was the resource within Housing Strategy teams to produce and update LHMAs, as well as working with WG to inform the approach in establishing housing need more broadly.</p>
1.04	<p>Housing Quality Standards – Planning and Housing teams need to work closely with WG to achieve change and ensure implementation of the new space standards of affordable homes on market led schemes. As well as working to achieve zero carbon on all affordable housing.</p>
1.05	<p>Modern Methods of Construction – the Council has formally responded to the Welsh government consultation on ‘social house building off-site manufacturing - draft strategy.</p>
1.06	<p>Rent policy – WG supports a 5 year rent policy and as part of the 5 year rent policy, social landlords will be required to prepare an annual assessment of affordability, cost efficiencies and value for money as part of their decision on the rent uplift to be applied each year. The Council</p>

	has taken this into account in the HRA business planning process for the next financial year.
1.07	Local Authorities as Enablers and Builders – WG supports a series of enabling measure for Local Authorities (LA) to deliver more affordable housing including: promoting closer working between LA's and Housing Associations to share resources; improving Compulsory Purchase Orders (CPO's) and Empty Management Development Orders (EMDO's) processes; and supporting those LA's who are already developing to develop more properties at 'pace and scale'.
1.08	Public Sector Land – WG are undertaking a business case for establishing a land body.
1.09	Financing Affordable Housing – WG have established a new team to review and design a new grant model and report to the Minister by March 2020. The Council supports the review of the grant model with a particular emphasis on ensuring LA's can access grant to support their development programmes. At present Registered Social Landlords receive 58% on schemes, this is not a level playing field.
1.10	Dowry and MRA – WG are reviewing by (March 2020) the position regarding the MRA, such that local authorities will be required to demonstrate an accelerated programme of decarbonisation of existing homes in return for an ongoing commitment to Dowry and MRA.

2.00	RESOURCE IMPLICATIONS
2.01	Revenue: there are no implications for the approved revenue budget for this service for the financial year 2020/21. Capital: there are no implications for the approved capital programme for either the current financial year 2020/21.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT				
3.01	Ways of Working (Sustainable Development) Principles Impact <table border="1"> <tr> <td>Long-term</td> <td>Positive – The outcome of the recommendations will provide support to Local Authorities and their partners to deliver sufficient homes at pace and scale to meet longer term housing needs.</td> </tr> <tr> <td>Prevention</td> <td>Positive – The increase in new affordable homes will contribute to preventing homelessness.</td> </tr> </table>	Long-term	Positive – The outcome of the recommendations will provide support to Local Authorities and their partners to deliver sufficient homes at pace and scale to meet longer term housing needs.	Prevention	Positive – The increase in new affordable homes will contribute to preventing homelessness.
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Prevention	Positive – The increase in new affordable homes will contribute to preventing homelessness.				

Integration	Positive – There will be a change in the way affordable / social homes are constructed and maintained to reduce carbon emissions safeguarding the climate for future generations. New policies will integrate new delivery methods.
Collaboration	Positive – the recommendations from the review, once implemented, will result in more collaborative working across Local Authorities, Housing Associations and the wider construction sector to achieve an increase in delivery of affordable homes.
Involvement	Positive – the review has involved a wide range of stakeholders in the development of the recommendations.

Well-being Goals Impact

Prosperous Wales	Positive - providing substantially more good quality affordable homes, which are low /zero carbon. As well as providing new employment and training opportunities as part of diversifying the construction sector through off site manufacturing.
Resilient Wales	Positive – will ensure our homes are fit for purpose for the future (zero carbon).
Healthier Wales	No impact.
More equal Wales	Positive – will ensure we have a range of homes that meet the needs of all people in our society including those who are most vulnerable, as informed by detailed housing needs data.
Cohesive Wales	Positive – the impact of good needs data will ensure better designed and the right type of homes in communities.
Vibrant Wales	No impact
Globally responsible Wales	Positive – the recommendations will result in lower carbon footprint for Wales due to low / zero carbon housing.

The outcome of the recommendations from the Affordable Housing Review, when implemented will contribute to the Council's Well-being objective of 'Caring Council' through:

	<ul style="list-style-type: none"> Increasing the supply of affordable and quality housing of all tenures. Making early interventions to support healthy and independent living by having informed delivery.
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4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	The review was widely consulted on by Welsh Government and the Independent Panel. Officers from the Council were involved in the consultation process.

5.00	APPENDICES
5.01	Appendix 1 - Independent Affordable Housing Supply Review recommendations with the Minister's decision on each recommendation.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Access to the final report can be found at: https://gov.wales/sites/default/files/publications/2019-04/independent-review-of-affordable-housing-supply-report_0.pdf

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Melville Evans, Housing Programmes Manager Telephone: 01352 701433 E-mail: melville.evans@flintshire.gov.uk

8.00	GLOSSARY OF TERMS
8.01	<p>Local Housing Market Assessment (LHMA) – provides an up-to date analysis of the social, economic, housing and demographic context of the County Council area.</p> <p>Modern Methods of Construction (MMC) – generally used to describe a construction technology that utilises some fabrication of elements prior to installation on the site of intended use.</p> <p>Major Repairs Allowance: Welsh Government grant paid to local authorities in Wales who still manage and maintain their council housing.</p> <p>Rent Policy - The rent policy sets out the total target rent band for each landlord.</p>

	<p>Dowry gap funding: Welsh Government funding paid to the housing associations in Wales, which were set up when local authorities transferred their council stock, to assist them to improve their houses.</p>
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