

Subject:	Housing Strategy Directive and the Role of the Associations
Date:	24 November 2016
Purpose of the Paper:	Present overview for the Communities Scrutiny Committee

## **1. Introduction**

This paper has two parts, the first part highlights the priorities of the Housing Partnership Strategy for Gwynedd for 2013-17 and the role of Housing Associations in achieving this and the second part looks at issues that need to be addressed when reviewing the Strategy for 2017-21.

The first half of this paper was presented to the Gwynedd Housing Partnership in order to prioritise the activities for the remainder of 2015-17.

### **1.1. Current Strategy and Welsh Government Programme (WG)**

See link below to the Strategy:

<https://www.gwynedd.llyw.cymru/en/Council/Strategies-and-policies/Housing/Gwynedd-Housing-Strategy-2013-17.aspx>

a link is also provided to WG programme for next 5 years:

<http://gov.wales/about/programme-for-government/?skip=1&lang=en>

## **2. Strategy Priorities which are relevant to Housing Associations**

Below is a summary of activities which the Council and Housing Association work in collaboration which relates directly to the Housing Strategy, they are not listed according to priority.

### **2.1 Priority 1: Supply and Affordability**

What we aim to achieve in our Strategy is:

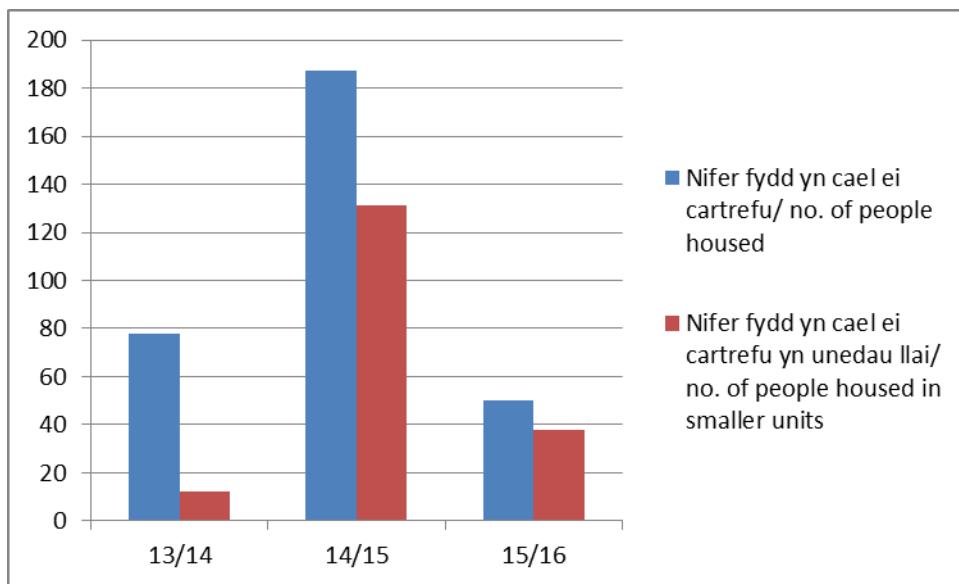
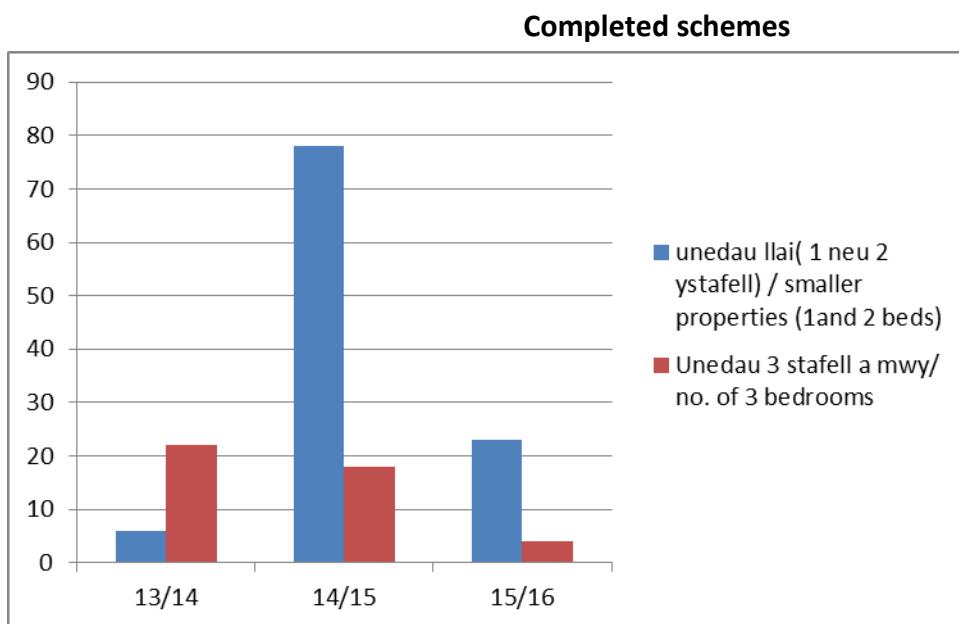
- to give people a choice to be able to live in homes that are suitable for them in terms of affordability and the different types of tenure

The outcome that is aimed for through realising this Strategy is:

- better access to affordable housing, to own and to rent
- a greater supply of suitable housing available in the County

## 2.2 Supply

Housing Associations supply new housing developments as shown below:



There is an increase in the number of units and therefore an increase in the number that have been housed in 2014-15, this is due to an Extra Care Scheme consisting of 42 units which have been provided in that year at a cost of £7.8m. In addition, 16 social rented properties were 'freed', which is not included above, this was done by older people moving from properties which were too large for them to 1 and 2 bedroom units with care should it be needed

## 2.3 Financing new developments

The above is financed via grants from Welsh Government; this is called Social Housing Grant (SHG). The Council decide on the strategic priorities of these developments. The table below show the proportion of grant that is available to Gwynedd each year.

SHG commitment up to :-

	<b>14/15</b>	<b>15/16</b>	<b>16/17</b>	
<b>17/18</b>				
Gwynedd	*£1,435,534	*£1,435,534	£1,435,534	£1,435,534

\*Funding has been allocated for the development of Extra Care Housing

The above contributes to 58% of the development cost and the Housing Associations loan the remaining 42%

Here is a list of the areas which units have been developed:

<b>Blwyddyn/ Year</b>	<b>Cymdeithas Tai/ Housing Assoc</b>	<b>Lleoliad / Location</b>	<b>Nifer Unedau/ no. of units</b>	<b>Cyfanswm cost y Cynllun/ total scheme cost</b>
2013-14	Grŵp Cynefin (GC)	Ger y Nant, Felinheli	12 uned	£966,318
	Grŵp Cynefin	Cae Solomon, Pwllheli	8 uned	£790,808
	CTGC	Hen Ysgol, Llanrug	7 uned	£782,000
	CTGC	Caernarfon Road, Bangor	1 uned	£183,000
	Grŵp Cynefin	Cynllun Cymorth Prynu amrywiol leoliadau drwy'r Sir Various Home buy schemes in the County	5 uned	

<b>Blwyddyn/ Year</b>	<b>Cymdeithas Tai/ Housing Assoc</b>	<b>Lleoliad / Location</b>	<b>Nifer Unedau/ no. of units</b>	<b>Cyfanswm cost y Cynllun/ total scheme cost</b>
2014-15	CTGC	Bistro Llanberis	9	£661,500
	Grŵp Cynefin	Gerddi Pendre Tywyn	17	£1,631,692.72
	Grŵp Cynefin	Tai Huw Llwyd, Llan Ffestiniog	4	£554,400
	CTGC	Cae Garnedd, Bangor	42	£7,734,500.00

	Grŵp Cynefin	Cynllun Cymorth Prynau amrywiol leoliadau drwy y Sir Various Home buy schemes in the County	3 uned	
	Grŵp Cynefin	St Pedr, Pwllheli	8 uned	£683,000
	Grŵp Cynefin	Tyddyn Pandy, Caernarfon	4 uned	£574,997
	CTGC	Tŷ Gwag / Empty Home, Bangor	1 uned	£67,000
	CTGC	Tŷ Gwag/ Empty Home , Bangor	1 uned	£89,960
	CTGC	Tŷ Gwag/ Empty Home , Bangor	1 uned	£ 86,906
	Grŵp Cynefin	Safle Caelloï, Pwllheli	9 Uned	£ 496,729

Blwyddyn/ Year	Cymdeithas Tai/ Housing Assoc	Lleoliad / Location	Nifer Unedau/ no. of units	Cyfanswm cost y Cynllun/ total scheme cost
2015-16	Grŵp Cynefin	Glanadda, Bangor	8	£636,963
	CCG	Tan y Bryn, Lon y Parc, Bangor	6 uned	£643,256
	Grŵp Cynefin	Pant yr Eithin, Harlech,	13 uned	£1,382
	Grŵp Cynefin	Achub Morgais	1 uned	

## 2.4 Smaller Units Funding

From the above list there were smaller units. WG introduced a one-off scheme to increase the supply of 1 and 2 bedrooms units. A total of 4 schemes have been funded in Gwynedd, again it is the Council who provide a strategic lead in these schemes which were:

Cymdeithas Tai / Housing Association	Cyfeiriad y Cynllun/ Address	Nifer o unedau / No of Units	Dyddiad Cychwyn Start Date
Cartrefi Gwynedd Cymunedol	Lon Abererch, Pwllheli	7	Ebrill / April
Cartrefi Gwynedd Cymunedol	Tan y Bryn, Lon y Parc, Bangor	6	Ebrill / April 2015

Cartrefi Gwynedd Cymunedol	Tŷ Cegin, Bangor	5	Ebrill / April 2015
Cartrefi Gwynedd Cymunedol	Wenallt, Dolgellau	8	Mawrth / March 2016

The above provide a grant of 58% of the development cost with the Housing Association borrowing 42%.

## **2.5 Housing Finance Grant Scheme**

WG introduced a loan for Housing Associations; it works differently to the grant as the Housing Association has to re-pay the sum over a period of years. WG have introduced the next tranche from 2017 onwards with the intention that schemes from now on are financed partly by SHG and the remaining allocation through housing finance.

## **2.6 Access to information on housing**

The Housing Options Team and the Common Allocation Policy have been in existence since 2012, there is one application form to complete for Social Housing and the Housing Options Team has responsibility for preparing the short list of applications. A draft report has been prepared which reviews what has been achieved so far and a wok programme for the year ahead.

Appendix 1 gives information on the number on the housing list and the number of stock.

## **2.7 Rural Housing Enabler**

The WG have announced in their programme ‘Moving Wales Forward’ that Rural Housing Enablers have an important role. Arrangements are in place to have a Regional RHF model which will be able to offer a service across North Wales and means that it would be possible to use a pool of RHF with expertise in different fields.

## **2.8 Increasing affordable housing through the Council’s financial model**

The Cabinet has approved forming a business plan which drives forward the strategic agenda for the Council, see link below

<https://democracy.cyngor.gwynedd.gov.uk/ielistdocuments.aspx?cid=133&mid=1649&ver=4>

## **3. Priority 2: Quality – Efficiency and the Environment**

What we aim to achieve in our Strategy is:

- to introduce schemes that will help to improve energy efficiency in the home and to be proactive to reduce fuel poverty

The outcome that is aimed for through realising this Strategy is:

- less dependency on fossil fuel in the County
- homes are suitable for the needs of the residents of Gwynedd

### **3.1 Community Energy Wardens**

Several of the Partnership's Partners contribute towards this scheme, working on targeting areas in agreement with the partners.

Example of the Energy Wardens work for 2015-16 was:

- 1 to 1 contact made with 105 residents providing them with advice on matters relating to energy saving techniques
- 105 successful Warm Homes Discount were submitted with energy providers
- A saving of £14,700 was made for the 105 residents with the Warm Home Discount
- 3 successful Nyth applications were presented with the Energy Saving trust which included-
  - Central heating system with boiler and 6 radiators
  - Central heating system with boiler and 11 radiators
  - Solid fuel and 6 radiators with back boiler
- 15 radflek's were given
- 56 low energy bulbs were given
- This gives a co2 reduction of 57,750kg per year

As well as the above they were a visible contact with the Cartrefi Clyd scheme in Peblig 2015-15.

Below is the sums which have been invested in Gwynedd 2013-17 via Arbed and Cartrefi Clyd grants:

- Nantlle £1.242m
- Y Fron / Carmel £2.326m
- Deiniolen £3.355m
- Peblig, Caernarfon £1.213m
- Cadnant, Caernarfon £220,000

Some 1,300 properties have received one energy efficiency measures with a percentage of them social housing.

### **4. Priority 3: Suitability**

What we aim to achieve in our Strategy is:

- that accommodation and supportive services are effectively co-ordinated to help vulnerable people and to prevent them from being in need

The outcome that is aimed for through realising this Strategy is:

- homes are suitable for the needs of the residents of Gwynedd
- residents receive appropriate services

#### **4.1 Homelessness**

The current strategy for Homelessness has come to an end and the Housing Act is now in force. A Strategy will need to be formed by 2018.

A summary of the activities that have been undertaken as part of the work of introducing the Housing Act 2015 can be seen below

- S180 services mapping work - work has been undertaken with the agencies, namely North Wales Housing/GISDA/Agorfa and Shelter
- A comprehensive Agreement with Housing Associations –this has been adopted and needs to reviewed to identify strengths and weaknesses.
- Collaboration protocol with Supported Accommodation Hostels
- Joint training

#### **4.2 Supporting People**

Supporting People are facing financial cuts; there is a need to ensure that services are channelled to the neediest people. There is work under way to develop a single point of access to refer people to this service.

#### **4.3 Older People**

The ambition of having 3 Extra Care Housing schemes is being realised at present, the third scheme is to be completed in 2017. The Older People Accommodation Strategy has been adopted and will be circulated and discussed at the next meeting of the Partnership.

#### **4.4 Learning Disability Accommodation**

A joint scheme between a Housing Association and the Council has been completed in Harlech. Service provision within Caernarfon is being developed by Grwp Cynefin.

#### **4.5 Support at Home**

The Housing Service provides adaptations for the private sector which now includes a maximum grant with lending options available. Collaboration is occurring between Housing Associations and the Service in order to identify the best options for adapting properties.

## 5. Reviewing the Strategy for 2017-21

This part of the report reports on the issues which need to be included in the Strategy for 2017-21 which relate to Housing Associations.

### 5.1 Supply

The following units are expected to be completed during 2016-17

Blwyddyn /Year	Cymdeithas Tai/ Housing Association	Lleoliad / Location	Nifer Unedau / No of units	Cyfanswm cost y Cynllun / Total Scheme cost
2015-16	Grwp Cynefin	Pen y Bryn, Penrhyn Deuraeth	8 uned	£832,749
	CCG	Tai Tywod, Pwllheli	7 uned	<b>£834,670</b>
	CCG	Plas Llwyd, Bangor	9	805,733
	CCG	Ty Cegin, Bangor	5	£629,400
	Grwp Cynefin	Stad Cornwall	9	£1,014,000 (dim grant tai cymdeithasol / not SHG)

- There will be a need to work together to contribute towards the WG target of 20,000 homes by 2021. There is a financial commitment from WG via the Housing Finance grant and Social Housing Grant.

It is possible that there is up to £7 million to be allocated to Gwynedd during 2017-21, this figure has not been confirmed. The funding will be allocated to Housing Associations to provide social rented properties, intermediate rent and tenure natural.

It will be Cyngor Gwynedd who decides the priorities in accordance with a scoring method against a specific criteria.

- The Council has approved a loan scheme for Housing Associations, the purpose of this model is to encourage alternative models of affordable housing. This will include houses to buy or intermediate rent, increasing the number of empty properties coming back into use as well as provision for homeless people.
- There is a need to have a mixture of units such as 1,2 and 3 bedrooms.
- Housing Associations are seen as a natural partner in specialised developments such as learning disability scheme in Caernarfon. This can be developed further with other opportunities in the County.

- The role of the Rural Housing Enabler is an important resource to visit communities to learn more about the needs. We have agreed a resource across Mon, Gwynedd and Conwy with the intention that a model is developed whereby it is not entirely reliant on grant.

## **5.2 Quality – Efficiency and the Environment**

- Tackling fuel poverty remains a priority for WG and it is their intention to agree a contract on improving the energy efficiency. This will be branded under the Cartrefi Clyd banner.
- In the past we have worked with Housing Associations to identify suitable properties and getting ‘additional’ finance for these schemes.
- The role of the Energy Wardens during the Cartrefi Clyd has provided an additional resource to promote the scheme locally. It is debatable if so much would have taken part in the scheme if we depended on a letter from the Council as the only method.

## **5.3 Suitability**

- As stated previously the Homeless Strategy will be revised, it is the intention that this is done on a North Wales level with specific work programme for each County as circumstances are slightly different in each County.

In the meantime, there will be a review of the Comprehensive Agreement which is in place for around one year with Housing Associations. This is one of the main documents which measure how we prevent homelessness.

- Numerous Housing Associations receive Supporting People so that they can support vulnerable tenants. Cuts to budgets mean that we will have to offer services in a different way. The Council has a strategic role in ensuring vulnerable tenants are supported so that we can prevent homelessness.
- As mentioned previously, the Older Peoples Accommodation strategy which has been adopted by the Council in March 2016 has identified Housing Associations as one of the main partners in being able to adapt or provide their current stock for older people in specific areas.

## **6 Specific questions asked as part of the Preparatory Meeting for the Scrutiny Committee**

- 1. Assessing need** - is true ‘need’ taken into consideration, has there been an assessment of ‘need’ completed and has the need been mapped geographically?

Information is taken from the Common Housing Register as an indicator of need and it is possible to map this geographically. As part of deciding the grant allocation for social housing the Council utilises a method of assessing individual schemes against a scoring criteria, this assists in deciding which schemes as well as which finance is available and when this is possible from planning perspective.

- 2. Nature of the provision** - Does the Partnership concentrate too much on social housing at the detriment of private affordable housing? What sort of provision can the Partnership provide?

Social Housing Grant is available for Housing Associations only, private developers are unable to access it. Housing Associations receive a grant of 58% and obtain private mortgage on the remaining amount (42%). Properties must be to acceptable standard which is set by WG, this is more often higher specification than private developers. The properties must be social rented or intermediate rent. The grant element also provides Homebuy Grant, this is a shared equity scheme. This is for people who wish to purchase a property but need assistance of up to 30% in the share of the property by the Housing Association. This is repaid when the property is sold and the grant is recycled in new developments or another homebuy.

The borrowing model which has been established by the Council will give the option to Housing Associations to sell units as part of this scheme.

- 3. Suitability of stock** - is consideration given to empty chapels and churches instead of building from new? Also, is the provision suitable for the needs of residents – e.g. enough bungalows of 1 and 2 bedrooms

The cost of renovation is usually higher for remodelling existing structures, for Housing Associations they must pass value for money criteria set by WG before they are financed.

There is more of an emphasis on Housing Associations to build 1 and 2 bedroom properties as well as some bungalows.

- 4. Location of provision** - is consideration given to ‘dispersing’ a new development instead of creating estates so that people can integrate within a mixed community instead of living in sub groups within communities.

As with any developments there is a need for economies of scale for new schemes. It would be difficult to achieve this by dispersing units .

- 5. Legislative Constraints** - does the Partnership foresee any legislatively barriers to achieve the ambition which could be moved?

Welfare reform will have an impact on the type of property tenants will be able to live in. A number of tenants will have to pay the gap in what they receive in housing benefit or universal credit and there is a high risk that they will go into arrears.

This will affect the business model for Housing Association it will make it more difficult to provide new homes as benefits will not cover all service and rent charges.

**6. Meeting local housing need** - which model has been developed and utilised whereby local people are able to influence the choice of tenants to ensure that the provision responds to local needs?

National legislation must be adhered to and must be in accordance with housing need , this is reflected in the points process. It would be difficult to give control or influence to people within the community on who to choose as tenants. The policy gives points for local connection and Housing Association make connections with Parish Councils to discuss scheme proposals and any policy requirements.

**7. Role of Housing Associations** - What is the role of Housing Association within our communities?

Via the Social Housing Grant, Housing Associations invest heavily within areas, such as £8.4m in the Porthmadog area on an Extra Care Scheme, Hafod y Gest. A recent report by CCG demonstrates the effect of investment via their WHQS programme and the effect this has had on tenants. As well as this the above report shows the investment in the County.