

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO PARTNERSHIPS AND GOVERNANCE OVERVIEW AND SCRUTINY COMMITTEE

10 OCTOBER 2016

REPORT OF THE CORPORATE DIRECTOR, OPERATIONAL AND PARTNERSHIP SERVICES

SOCIAL HOUSING – PARTNERSHIP WORKING WITH REGISTERED SOCIAL LANDLORD (RSLs)

1. Purpose of Report.

- 1.1 The purpose of the report is to provide the Committee with an overview of how Bridgend County Borough Council (BCBC) is working in partnership with Registered Social Landlords (RSLs); including advising Members of Welsh Governments responsibilities and governance arrangements for RSLs.
- 1.2 To update the Committee on the Social Housing Grant Programme.
- 1.3 The Committee has expressed a wish to be better informed about how the Council ensures the best outcomes for service users. The report will advise Members of how services provided under the Supporting People Programme contribute to homelessness prevention and better outcomes for service users and the wider community.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities.

- 2.1 The Local Housing Strategy 2016-2018 approved by Council on 8 June 2016; and the Supporting People Local Commissioning Plan 2013-17 approved by Cabinet on 10 December 2013; assists the Council in meeting all three of its Corporate Plan priorities:-
 - Supporting a successful economy
 - Helping People to be more self-reliant
 - Smarter Use of Resources

3. Background.

- 3.1 **Stock Transfer** – Welsh Government (WG) policy is to encourage Councils to improve their housing stock to meet the Welsh Housing Quality Standard by whatever means they consider appropriate. The transfer of stock to RSLs is one of the available options. Stock transfer is where a council transfers the ownership and management of its homes (rented and leasehold) to a RSL.
- 3.2 The Council undertook formal consultation on its proposal to transfer all of its homes to Valleys to Coast (V2C) by way of an Offer Document to tenants in 2002 entitled 'Your Home, Your Future, Your Choice'. There were a number of promises made, from various property improvements to guarantees on rent increases and other charges, the details, along with the schedule of qualifying works were set out

in the Development Agreement signed on 12th September 2003. On 12th April 2016, Cabinet received an update report on the progress of the delivery of the original Offer Document and agreed that the transfer promises made to tenants by BCBC, have been met and in some cases exceeded.

- 3.3 **BCBC/V2Cs Nomination Rights Deed** - in September 2003 BCBC also entered into a Nomination Rights Deed with V2C which set out the basis of future nominations from BCBC to V2C as a Social Housing Provider. The Nomination Rights agreed to at the time by the signing of the Principal Agreement granted the Council the right to nominate only three out of every four dwellings which are vacant and available for letting i.e. 75%. A vacant dwelling is not considered as being available for occupation if the dwelling requires improvements or repairs to be carried out.
- 3.4 V2C will notify the Council when a dwelling becomes vacant. The Council will provide V2C with 3 nominations from applicants registered on the Common Housing Register (CHR), where they are considered suitable for that size of property in that location. The Nomination Rights Deed states that in the event of a nominee rejecting an offer of a tenancy V2C shall offer the tenancy to two further nominees for whom the dwelling is, in its reasonable opinion, suitable. A nominee who unreasonably delays agreement to take up a tenancy for more than five business days following receipt of V2Cs offer shall be deemed to have rejected the offer of the tenancy.
- 3.5 A nominee may reject an offer if they have reasonable grounds, such circumstances are usually around specific details of the property such as there are a number of steps to the front and rear access and the family consists of children in pushchairs; or the garden is particularly small and is not suitable for a family with children; the property may be a maisonette with no outside space. What is not considered as a reasonable ground is if the nominee does not wish to live on a particular street without good cause. If the reason for rejecting the offer is acceptable to the Council the nominee will remain on the CHR to await a further offer.
- 3.6 The Nomination Rights Deed further states that if there is no available nominee or if V2C have made three reasonable offers which have not been accepted or if there is no nominee for whom the dwelling is, in V2Cs reasonable opinion, suitable then V2C shall have full right and liberty to let the vacant dwelling on that occasion free from any rights of nomination. At a recent meeting of Bridgend Housing Partnership, explained in 4.9; V2C have agreed to expand their acceptance of nominees to ten at any one time for a trial period.
- 3.7 **The Social Housing Allocations Policy (SHAP)** – The Council and the four RSLs in Bridgend i.e. Hafod Housing Association, Wales and West Housing Association, Linc Cymru and Valleys to Coast have developed a SHAP and Common Housing Register (CHR). Prior to the introduction of the CHR, 4,518 citizens were registered on one of the five separate housing registers. As demand for Social Housing outstrips existing and likely future provision, the SHAP enables the Council and RSL partners to prioritise those in housing need.
- 3.8 **Regulation** - Welsh Ministers regulate RSLs including those who are the result of stock transfer i.e. V2C. A Housing Regulation Team, part of the Welsh Government's Housing Division has been established to undertake regulation activity on their behalf. This Regulatory Framework applies to housing associations

registered and regulated by the Welsh Ministers under Part 1 of the Housing Act 1996. Regulation sets out the expectations to be met by housing associations, developing them to meet changing circumstances. It aims to ensure that they are met and, if not, that appropriate remedial action is taken, through formal intervention if necessary.

3.9 The regulation of RSLs is important. It helps ensure that tenants, potential tenants, and people who use services, are treated fairly. It protects them from poor or failing landlords and provides ways in which they can influence the way that associations work. It also encourages the continuous improvement of services. More generally, a good regulatory framework helps to protect taxpayers by safeguarding the public funding invested in housing associations. It also gives lenders, such as banks and building societies, the confidence to provide loans to finance new homes and to improve existing homes.

3.10 The ultimate purpose of the Regulatory Framework is to ensure that RSLs provide good quality homes and services to tenants and others who use their services. It does this by ensuring that each association is:

- Well governed - led effectively and well managed by boards, executives, staff, tenants and partners, who work together to make and implement business decisions.
- Financially viable - has the money to meet current and future business commitments and effectively manages its finances.
- Delivering high quality services - providing services that meet people's needs and expectations and compare well with the quality of services delivered by other associations.

3.11 Each year, the Welsh Ministers produce a Housing Association Regulatory Assessment for each association. The Assessment forms the basis of a published report. Associations are expected to inform tenants and service users of its publication via their usual channels of communication. It is used to build a rounded picture of individual housing associations and the sector as a whole. A wide range of evidence and information is collected for the annual regulatory assessment including:

- the housing association's self-assessment;
- information, from regular contact with the housing associations tenants, staff, service users and external partners. Both are important to a full assessment;
- financial information, such as management accounts, statutory accounts, private finance returns and 30 year forecasts;
- external judgements and reviews, such as external audit opinions, reports by the Public Service Ombudsman for Wales, reviews by lenders, such as banks and building societies, and recognised accreditations;
- evidence from specific evaluations, audits, and reviews by, for example, the Welsh Government or Auditor General for Wales.

3.12 The different types of information collected help ensure a rounded view of an association and an understanding of the experiences of tenants and service users. This allows the findings of self-assessments to be challenged, leading to robust regulatory assessment.

- 3.13 **Social Housing Grant** - (SHG) is a grant given to RSLs by the Welsh Government. The grant aims to provide new affordable housing for rent or low cost home ownership. SHG funds housing schemes that meet local needs and priorities as identified by local authorities. Since the 1980s nearly all new social housing has been provided by RSLs. One of the reasons is that RSLs can raise private finance to contribute towards the cost of new schemes.
- 3.14 In Bridgend, SHG has assisted with the development of a number of new housing developments along with supported housing schemes for people with learning disabilities, homeless hostel and move-on at Ty Ogwr and Cornerstone House, and has also helped to fund Bridgend's first Extra Care scheme at Llys Ton.
- 3.15 Whilst SHG is paid to RSLs, it is incumbent on the local authority to submit and monitor quarterly Programme Delivery Plans covering a three year period to WG. These show how the Authority proposes to spend the SHG allocation based on the prioritised schemes that have been identified. Each developing RSL is then responsible for the procurement and delivery of schemes in the agreed development programme.
- 3.16 WG has designated which RSLs can develop new housing through the attraction of SHG in all 22 local authorities. These are known as 'zoned' RSLs. Currently there are four RSLs that are designated as zoned RSL developers in Bridgend – these are Hafod Housing Association, Wales & West Housing Association, Linc Cymru and Valleys to Coast. It is only these RSLs that can develop new accommodation with SHG. In addition, United Welsh Housing Association is also zoned but is only able to develop supported housing. Coastal Housing is also zoned for Bridgend town centre under the Vibrant and Viable Places (VVP) framework for the period 2014/15 – 2016/17 only.
- 3.17 **The Supporting People (SP) Programme** ('the Programme') - provides essential help to some of our most vulnerable people. It's strong prevention and early intervention approach reflects the objectives of the new Housing (Wales) Act 2014 and the wider Welsh Government legislative agenda programmes, particularly 'Ending Violence against Women, Domestic Abuse and Sexual Violence Act', and the aims of the Social Services and Wellbeing (Wales) Act 2014 around wellbeing. The Programme helps to build more sustainable communities and reduces demand on statutory services such as health, social services and criminal justice services. It benefits the person receiving the support and the wider community.
- 3.18 The aims of the Programme are to help vulnerable people live as independently as possible by ensuring Supporting People services are enabling and developing a person's independence as opposed to establishing a long-term dependency, i.e. 'doing with' as distinct from 'doing for'; and to prevent problems or provide help as early as possible in order to reduce demand on other services such as health and social services.
- 3.19 The Programme supports people from a range of categories. These include people:
- who are at risk of homelessness or getting over a period of homelessness;
 - fleeing domestic violence;
 - with mental health needs;
 - with substance misuse issues;
 - with learning disabilities; and

- older people.

3.20 Supporting People Outcomes have been designed to provide information around the effectiveness of the Programme by showing if we are helping those who access support to meet their needs.

3.21 **Local Housing Strategy 2016-18** - under the Housing (Wales) Act 2014, local authorities have a strategic role to play in the functioning of the local housing market. The principal way this can be delivered is through a Local Housing Strategy (LHS). The strategic housing function incorporates an enabling role, with the local authority working in partnership with other public, private and third sector organisations to deliver suitable housing and to develop innovative solutions to address local housing needs.

4.0 Current situation.

4.1 On 8 June 2016 Council approved the Local Housing Strategy 2016-18, the purpose of the Local Housing Strategy is to respond to the housing needs of the County Borough. It sets out the vision and direction for housing over the next 2 years taking into account a number of challenges facing the both the Council and its RSL partners.

4.2 The strategy sets out five key housing priorities, which will contribute to improving the quality of life for people within the county. These priorities underpin our work and the work of all our partners:

- Take reasonable steps to help prevent homelessness
- Make the best use of existing homes
- Work with partners to deliver the right type of new housing
- Help vulnerable people stay as independent, safe and secure as possible in accommodation that meets their needs
- Create sustainable town centres through housing led regeneration

4.3 The Council and the four RSLs work in partnership to deliver on the five key housing priorities in a number of ways, at the time of developing the Local Housing Strategy there were 1,274 applicants on the CHR. 878 of these applicants require a one bed, 202 require a two bed, 106 require a three bed and the remainder require a four bed or larger. With 69% of applicants requiring a one bed and 16% requiring a two bed, there is a clear need for smaller one and two bedroom accommodation. However, this need should be balanced with the need to provide and develop larger sustainable accommodation that meets the needs of households as they grow.

4.4 Over the past five years homelessness presentations have been falling in the County Borough. In 2008-09 there were 1014 presentations which fell to 346 in 2012-13. However, in 2013-14 there was an increase to 369 and this increase has continued into 2014-15 with 488 presentations. The introduction of Universal Credit and the potential effect of the reduction of the benefit cap could have a significant impact together with the potential cap to Local Housing Allowance for supported housing could also have a significant impact on homelessness presentations.

4.5 The Supporting People Programme Grant for Bridgend for 2016/17 is £5,816,385. The aim of the Programme is to provide housing-related support “to help vulnerable

people develop or maintain the skills and confidence necessary to live as independently as possible. It has housing, and preventing homelessness or people living in inappropriate institutional settings, at its core. Support can be offered to anyone eligible, regardless of their tenure”.

- 4.6 Floating Support Services delivered to people in their own homes or tenancies; and hub based support services that citizens can access within communities have a greater focus on early intervention and prevention, and make better use of resources, and have better outcomes for citizens by helping them to maintain their tenancies and prevent homelessness. There is a role for accommodation based services that are funded by the Supporting People Programme for the most vulnerable and disadvantaged households where homelessness cannot be prevented. These accommodation based services are generally developed in partnership with RSLs through the SHG Programme as set out in 3.13.
- 4.7 The need for Housing Related Support can be identified in a number of ways, RSLs may identify an existing tenant who requires additional support over and above that which can be offered through Housing Management; agencies, internal departments, health colleagues, hospital wards and the prison service may all refer citizens to either Supporting People Services or to the Councils Housing Solutions Service.
- 4.8 The housing solutions service delivers tailored advice and assistance to individual’s needs and circumstances. Under the Housing (Wales) Act 2014, the Council is now able to widen its advice to citizens to include the private rented sector. For citizens who have been refused an offer of accommodation by an RSL as set out in 3.4 the private rented sector may now be a sustainable housing solution for them. Refused nominations can be for a number of reasons, i.e. the applicants support needs are too high to maintain a tenancy; or the applicant may have caused, or been involved in damage to a property or anti-social behaviour. For these refusals the applicant is referred to a Supporting People Service or accommodation based scheme if homeless.
- 4.8 Where an applicant may have former rent arrears that they have not declared or attempted to reduce; or where the rent levels are unaffordable to the applicant because of their level of existing debt a financial inclusion advice service will be available from November 2016. This service is being commissioned by the Supporting People Service in partnership with Housing Solutions who will refer applicants to this service for financial inclusion and debt management services to ensure that applicants are able to secure and sustain their accommodation. All RSLs already offer a similar service to their existing tenants. This new service will be available to all citizens who contact the Housing Solutions team and will assist in meeting our aim of early intervention and prevention.
- 4.9 The Council and its RSL Partners work closely together to review existing policies and procedures. An Allocations Group meets bi-monthly to discuss operational procedures concerning the SHAP and the CHR. This group will make recommendations to Bridgend Housing Partnership (BHP) on future developments for the CHR, local lettings policies, and legislative changes that need to be addressed through the SHAP.

- 4.10 BHP is co-ordinated by the Council, attended by the Chief Executives of the four RSLs together with BCBC Senior Management. BHP meets quarterly to discuss strategic issues and how changes in local and national legislation such as Welfare Reform impact on services and our ability to respond to local pressures. BHP has contributed to the Housing Solutions which has enabled the Council to participate in the Syrian Refugee Resettlement Programme which was the subject of a report to Cabinet on 5 July 2016. BHP receives regular updates on the Commissioning of Supporting People Services and Progress on the SHG Delivery Programme. The Housing Strategy Team Leader provides a SHG Programme update on behalf of the RSL Development Group.
- 4.11 The RSL Development Group meets quarterly to discuss the SHG Programme, land availability, funding opportunities, identifying a Partner to deliver on S106 obligations, and discuss the strategic need of the Council. This group, co-ordinated by the Councils Housing Strategy Team has enabled the Council and its RSL Partners to maximise opportunities for drawing down WG funding, as set out in the Table below:

Scheme	RSL	Units	Original Allocation 15/16	Actual Expenditure 15/16
Bayswater Tubes Site - Pencoed	Hafod	8 x 1 bed flats 2 x 2 bed flats 17 x 2b houses 13 x 3 bed houses 2 x 4 bed houses	£800,000	£3,214,416
Madoc Close – Brackla	Linc Cymru	8 x 1 bed flats	£157,000	£356,562
Bethania Street – Maesteg	V2C	15 x 1 bed flats 3 x 2 bed houses	£250,000	£893,665
Rhiw	Coastal	28 x flats	£300,000	Nil
Total			£1,507,000	£4,464,643

- 4.12 The total SHG allocated by WG in the financial year of 2015/16 was £1,507,000. As can be seen from the above table the actual expenditure in 2015/16 was £4,464,643. Compared to the original allocation this represents an increase of almost 195% (or nearly three times the allocation).
- 4.13 This ability to attract additional funding has come from successful over programming practice which allows BCBC the opportunity to react quickly when WG make additional funds available at the financial year end. This is good practice recommended by WG as set out in their programme management guidebook 2011. The principle is to enable Councils and WG to quickly react to additional funding when, and if it becomes available. Whilst this funding is not directly attributable to

more units being produced in that financial year, what it does allow is for the SHG attributed to the scheme to be paid earlier instead of being phased over a number of financial years. This in turn allows new scheme developments to be brought into the programme and started at an earlier stage, e.g. a scheme earmarked to be developed in 2018-19 could actually start in 2017-18.

- 4.14 The Councils partnership working with RSLs is contributing to the remodelling of Residential Care and the development of Extra Care Housing (ECH). In November 2014, Cabinet approved the option for the Council to seek an RSL to develop two ECH schemes across the County Borough. Under the approved option, the Council intends to continue to deliver care. Three RSLs expressed an interest in working with BCBC to develop two new ECH schemes and they were sent a briefing note and selection criteria.
- 4.15 The RSLs were advised that the Council intends to dispose of two parcels of land for the potential development of two ECH schemes. Scheme 1 – Maesteg Lower Comp site; and Scheme 2 – Archbishop McGrath. The preferred RSL Partner, Linc Cymru was approved by Cabinet in January 2016. A further report to Cabinet on 1 March 2016, set out the financial implications associated with the provision of two new ECH facilities; and sought Council's agreement to include the scheme within the Council's Capital Programme 2016-2025. Full Council received a report on 10 March 2016 setting out the Medium Term Financial Strategy 2016-17 to 2019-20, and this included provision of the two Extra Care facilities in question.
- 4.16 Linc Cymru has considerable experience of planning, developing and operating extra care, residential care and general needs housing in South Wales. Linc are committed to delivering choice, quality and control for older people, and has a reputation for delivering high quality accommodation and an excellent customer experience for their tenants.
- 4.17 Linc Cymru ensure that their buildings and services are built around the needs of the people who use them, anticipating their future need and ensuring that they will not have to move because their environment has failed them. In respect of the extra/residential care schemes proposed for both sites, the residential care elements are designed to meet our present requirements but can be adapted at some point in the future into extra care apartments if needed. The proposed layout of the residential care elements also lends itself to accommodating a service for people with dementia and/or nursing needs should that be required. The partnership arrangements to deliver two ECH facilities in the County Borough with Linc Cymru will be subject to a future report to Scrutiny.

5. Effects on the Policy Framework and Procedure Rules

- 5.1 These proposals are consistent with current Policy Framework and Procedure Rules.

6. Equalities Impact Assessment

- 6.1 The Council wants to ensure social inclusion and equality of access to services is at the forefront of everything it does. Therefore, the Housing Strategy 2016-18 has been subject to an Equality Impact Assessment (EIA) in order to ensure it does not

adversely affect or discriminate against any equality group, and to consider how the strategy may help to promote equality of opportunity in the county.

7. Financial Implications

7.1 This report is for information, and as such there are no financial implications arising from the report.

8. Recommendations

8.1 It is recommended that the Committee consider and discuss the content of this report and provide any comments.

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Background documents: None.