

## APSE Housing, Construction and Building Maintenance Seminar 2017 – Building Safer, Stronger and Sustainable Communities

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Homes



# NEW Homes

- Flintshire context
- Vision for the company
- Housing products
- Next Steps



# Flintshire Context

- Housing is a key political priority
- Stock retaining Council with 7,200 properties;
- 11.5% private rent (14% Welsh average)
- Increases in poverty
  - Ending of regeneration programmes- revenue and capital
  - Welfare reforms
  - Universal Credit full roll out
- The emergence of “squeezed middle”;
- Increasing number of applicants on Affordable Housing Register;
- Statutory and regulatory framework;



# Flintshire Context- LHMA

- Annual shortfall of 246 affordable dwellings
  - 56% at social or affordable rents
  - 44% intermediate home purchase
- One third of households can only afford a property at 100k or less
- Need to earn 23k to buy a 2 bed lower quartile house (with 20% deposit)
  - 37% households earn less than this
- Need to earn 26k to rent at market rents
  - 43% earn less than this



# Solutions to address

- Appointed a development partner to build at least 500 homes in 5 years
  - Sites we own and WG own
  - Sites the “market” won’t address
  - Mixed tenure and profit share
- Developed own house specification
- Maximise HRA borrowing
  - 23 properties completed to date
  - 63 on site or starting on site next month
  - Further 82 going for Cabinet approval November 2017
- Structure for other tenures to be provided
  - NEW Homes



# NEW Homes

- Company limited by shares with unlimited powers;
- Council is the sole shareholder;
- Board of Directors
  - 8 directors consisting of 5 councillors, 1 council officer and 3 independent members with equal voting rights;
- Begun trading 3<sup>rd</sup> April 2014;
- Scrutiny Committee overview;
- Cabinet approval of Business Plan.



# NEW Homes – A Vision

*“Increase the quantity and quality of affordable housing to those in housing need and provide a professional service to landlords as one of the means of supplying additional capacity”.*



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# Strategic priorities

- Increase the range of housing options for the “squeezed middle”;
- Provide a competitive offer to landlords to encourage growth of the private rented sector;
- Use the income derived from Company assets and activity to help support the affordable offer to tenants;
- Build an asset base to meet local need.



# Fully Managed Lettings Offer

- Flintshire Private Landlords Forum and market research;
- NEW Homes manages and lets property on behalf of landlords through a management agreement;
- Competitive offer- £195 sign up fee and 10% of monthly rental income;
- Properties let at affordable rents.
- 30 currently in management,



# New Build 106 Properties

- New build properties transferred as part of s106 planning obligations as unencumbered assets
- Let at affordable rent levels;
- Capital assets to borrow against;
- Currently 37 of these properties under management, with a further 6 provided in next 12 months and 18 in pipeline



# The Walks, Flint

- Demolition of 240 poor quality Council maisonettes
- New mixed tenure scheme - 30 Council and 62 affordable rental properties
- Close working relationship with Planning to inform and develop scheme prior to review by Design Commission Wales
- Community consultation events held at St Mary's Church to inform scheme
- Total scheme cost £10.9M – No public subsidy
- Start on Site 3<sup>rd</sup> May 2016 - Projected completion 20<sup>th</sup> April 2018
- 18 properties transferred to NEW Homes to date
- Development funded through a Prudential Loan From Flintshire County Council to NEW Homes

# Flint - Town Centre Regeneration



View of the existing maisonettes pre-demolition

Progress to date on site











# Over 55's Housing Choice

- Barriers to older home owners down-sizing;
- Home owners lease their property to NEW Homes via management agreement;
- Home owners access common housing register
- Better use of housing stock.
- 2 in management



# Early Learning and Achievements

- 17k surplus year 1, 24k year 2, 16k expected year 3
- Appointment of first NEW Homes staff;
- Gifted units are a cash cow
- VAT and tax liabilities
- European State Aid challenges
- Rent Smart Wales
- Over 55's offer complex to deliver
- Need to think like the private sector- we need to make a surplus

# Future Plans

- Board to review Business Plan to deliver more homes;
- Borrowing against existing assets to finance new development;
- Bid for Welsh Government Capital Funding;
- Explore potential for key worker and student accommodation;
- Develop new affordable home ownership products.

