

AWICS Housing News

August 2018



Sheerwater in Woking where the Council is carrying out an ambitious regeneration scheme and AWICS have been appointed as Independent Tenants' Advisors.

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A New Vision for Sheerwater

AWICS has been appointed as Independent Tenants' Advisor for the secure tenants of Woking Borough Council at Sheerwater.

Plans to transform Sheerwater were approved by Woking Borough Council on Thursday 6th April 2017. By using the existing sense of community, the regeneration provides an exciting opportunity to create a thriving, balanced and sustainable community for the future that meets the housing needs of residents.

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The regeneration will allow local people of all ages to benefit from high quality new homes, excellent leisure and retail facilities, open green spaces and improved transport links, as well as a local centre that blends social, retail, recreation and community uses.

It will also provide economic benefits for local people and businesses by offering local job opportunities and ensuring that much of the money spent on the scheme is spent with local companies.

A wide range of house types will ensure a choice of modern, spacious, energy efficient homes that are economic to maintain, and flexible enough to satisfy diverse and changing needs.

The Council is committed to creating a contemporary and sustainable 'Garden Suburb' that will provide high quality homes, improved open green spaces and superb new leisure and community facilities.

This will create a stronger and more sustainable community by attracting new families and commercial enterprise to live and invest within the area. The Council will create a well-connected, aspirational and popular destination that will encourage residents to engage in an active and healthy lifestyle, whilst offering improved employment, recreational and retail opportunities.

The Council will achieve this through enhanced community, leisure, recreational and play facilities including swimming pools and a gym, new community and youth centre, enhanced nursery facilities, a health centre, improved and accessible public spaces, retail opportunities, improved pedestrian and cycling routes, car parking and transport connections.

Their plans also seek to promote opportunities for local people in securing employment and training opportunities in the area during the lifetime of the development and beyond.

More information about the Council's plans for Sheerwater can be found on the Council's website at: <https://www.woking.gov.uk/planning/majordevelopments/anevisionforsheerwater>

Adrian Waite, the Managing Director of AWICS Limited has been appointed as the Independent Tenants' Advisor. He will be supported by the AWICS staff team. Our principal role is to provide relevant, independent and confidential advice to secure Council tenants who are affected by the regeneration in Sheerwater.

An Independent Tenants' Advisor is defined as:

"Independent impartial advice from a qualified organisation to ensure tenants have the information they need to make informed decisions on all issues affecting their homes and their lives."

The Community Charter for the Sheerwater Regeneration sets out Woking Borough Council's commitments to residents of Sheerwater who are affected by the regeneration. Under the Charter secure Council tenants affected by the regeneration programme will have access to advice through an Independent Tenant Adviser.

Any secure council tenant who lives in the regeneration area and who has questions or concerns about the Sheerwater Regeneration scheme should contact the Independent Tenants' Advisor for advice.

Adrian and his team can be contacted free of charge by telephone or email as follows:

- Freephone helpline number: 0800-321-3461

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- Email address: sheerwater@awics.co.uk

The freephone helpline is manned by Adrian and his team between 9.30am and 5.00pm on working days. At other times, tenants can leave a message that will be responded to on the next working day.

Email enquiries will be responded to within 24 hours or on the next working day, whichever is the later.

Please note that this service is only available to secure tenants of Woking Borough Council.

The Council has also appointed a Sheerwater Tenants' Housing Support Team to provide information and advice to Sheerwater tenants. They can be contacted at sheerwater.tenants@woking.gov.uk

Information about the Sheerwater Regeneration scheme and about the activities of the Independent Tenants' Advisor will be posted on this website as well as on the Council's website.

For more information about our work as Independent Tenants' Advisors at Sheerwater, please click here: <https://awics.co.uk/a-new-vision-for-sheerwater>

Rough Sleeping Strategy: Prevention, Intervention, Recovery

In August 2018, the Ministry for Housing, Communities & Local Government announced new measures as part of the Rough Sleeping Strategy designed to ensure that up to 6,000 vulnerable people will receive rapid specialist assessments and support. Backed by £100million of funding, the strategy sets out the next steps towards achieving the government's aim of supporting everyone off the streets and into a home, and to end rough sleeping entirely by 2027.

Following £30million of new funding for areas with the highest numbers of rough sleepers and the launch of the Housing First pilots, this strategy was developed across government and in conjunction with the Rough Sleeping Advisory Panel that is made up of representatives from the homelessness sector and local government. It sets out a three-pillared approach:

- Prevention – understanding the issues that lead to rough sleeping and providing timely support for those at risk.
- Intervention – helping those already sleeping rough with swift support tailored to their individual circumstances.
- Recovery – supporting people in finding a new home and rebuilding their lives.

This system has prevention at its heart, focusing on stopping people from becoming homeless in the first place and providing them with the right support to find work and live independently. Longer term, those sleeping rough will be rapidly housed and offered comprehensive support to ensure their specific needs are addressed so that they can move into suitable permanent accommodation at the earliest opportunity.

James Brokenshire MP, the Secretary of State for Housing, Communities & Local Government said that:

"It is simply unacceptable that people have to sleep on our streets and I am determined to make it a thing of the past. Whether people are at risk of rough sleeping, already on the streets or in need of settled accommodation, we now have a solid plan to help the most vulnerable in our society. And this is not just about putting a roof over their heads but helping them find a place to call home. They need and deserve our support, and through our expert-backed strategy, I am confident they will get it."

The government describes the strategy as follows:

Prevention - Understanding the issues that lead to rough sleeping and being able to address them before people are forced to sleep on our streets is the focus throughout this strategy. It's clear there is not a one-size-fits-all solution and so the government will be listening to individual groups (like LGBT people) to understand how they experience homelessness as well as working to build understanding of the links between modern slavery and rough sleeping. The government will also be launching a range of new pilots to help those leaving prison find stable and sustainable accommodation and have committed new funding to intensive support for those with complex needs leaving care.

Intervention - Building on the work of the Rough Sleeping Initiative, the government is setting aside up to £17million to fund 'Somewhere Safe to Stay' pilots to assess the needs of people at risk of rough sleeping rapidly and support them to get the right help. The government intends to work locally with NHS England and Public Health England to fill gaps in health services for people sleeping rough as part of the long-term plan for the health and social care. This starts with £2million this year, and NHS England will spend up to £30million over the next five years on health services for people who sleep rough. To support this, the government is also investing in training for front-line staff, including training on how to interact with those under the influence of substances like spice, identifying and supporting victims of modern slavery and domestic abuse, as well as how to effectively support LGBT people who are homeless. The government is also introducing 'navigators'; specialists who will act as trusted confidantes and help people sleeping rough access the appropriate services and accommodation. There's also funding for 'StreetLink', supporting the public, business and communities to engage positively with people who sleep rough through an improved app.

Recovery - A stable home is an essential element in a person's recovery from sleeping rough but it needs to go hand-in-hand with flexible support that is tailored to individual needs to help them keep it. This includes £50million of funding that will increase the supply of housing outside of London for people who have slept rough or those who are ready to move on from hostels or refuges and need additional support. A further £19million of funding provides flexible support in homes provided exclusively for people with a history of sleeping rough and funding from dormant assets will provide up to £135million, the majority of which will go to supporting innovative financing for homes for people who sleep, or are at risk of sleeping, rough. There's also funding to help local areas grow enterprises to support vulnerable people into accommodation, offering advice, building stronger relationships with local landlords and making efficient use of local housing supply. Further to this there will now be a homelessness expert in every Jobcentre Plus to offer advice, signpost to information and services, and provide support.

Rory Stewart MP, Minister of State for Prisons, has written a blog about the elements that relate to former prisoners in which he writes that:

"I am delighted that ex-prisoners are integral to this project. As part of the rough sleeping initiative we will invest £3 million per year for 2 years in a pilot scheme which will include a new team of dedicated officers, who will spend time with offenders, when they are still in jail and in the community, to ensure that they are much better equipped for life outside the prison walls. The particular focus of these pilots will be prisoners on very short sentences – often the most difficult group to engage with. The officers will ensure that the prisoners are fully signed up to the benefits, an employment support system and that their bank accounts are setup before they leave prison. But their key task will be to find suitable housing, and to provide support for prisoners to sustain their new accommodation."

Since 2010, rough sleeping has risen 169% from 1,768 to 4,751 according to the official statistics.

David Orr, Chief Executive of the National Housing Federation, told 'Inside Housing' that:

"People sleeping on the streets because they don't have a home of their own is a desperate situation and one that needs to be tackled as a matter of urgency. We welcome the government's intent to end rough sleeping by 2027. There is much to be valued in this strategy – practical measures and new funding that will really help ease the current situation. But if we're to bring about a lasting end to rough sleeping we need targeted investment in new homes for rough sleepers, a significant increase in homes for social rent overall, and a full assessment of the impact of welfare reform on rough sleeping."

AWICS has published briefing papers on homelessness that can be viewed or downloaded by clicking on the following links:

- Homelessness Reduction Act: New Burdens Funding - https://awics.co.uk/files/module_document_pdfs/homelessness_reduction_act_-_new_burdens_funding_-_briefing_paper.pdf
- Flexible Homelessness Support Grant - https://awics.co.uk/files/module_document_pdfs/flexible_homelessness_support_grant_-_briefing_paper.pdf

What Makes a Good Complaints Policy and Procedure?

I am often asked what makes a good complaints policy and procedure.

To my mind it is part of encouraging dialogue between the housing organisation and its tenants about the services that are provided and received. Complaints obviously need to be resolved but they also sit alongside compliments, suggestions and other feedback as invaluable information that can be used to evaluate and improve services.

Many complaints policies focus on ensuring that there is a rigorous investigation of the complaint to establish whether it is justified, how the problem arose and how it is to be rectified. However, many complainants don't really want this. What they really want is for their problem to be solved as soon as possible. It is therefore a good idea to start a complaints process by finding out whether the complaint can be resolved quickly simply by sorting out the person's problem rather than by launching a more time-consuming complaints investigation.

The Regulator of Social Housing's Tenant Involvement and Empowerment Standard provides that:

"Registered Providers shall... have an approach to complaints that is clear, simple and accessible that ensures that complaints are resolved promptly, politely and fairly."

"Providers shall offer a range of ways for tenants to express a complaint and set out clear service standards for responding to complaints, including complaints about performance against the standards, and details of what to do if they are unhappy with the outcome of a complaint. Providers shall inform tenants how they use complaints to improve their services. Registered providers shall publish information about complaints each year, including their number and nature, and the outcome of the complaints. Providers shall accept complaints made by advocates authorised to act on a tenant's/tenants' behalf."

The Chartered Institute of Housing and House Mark published a 'Complaints Charter' in 2012. This sets out the outcomes that an effective complaint handling service can achieve. Organisations are encouraged to sign up to the charter on a voluntary basis and to self-assess their performance against it. By signing up, they are making a public commitment to welcome complaints, to take them seriously and to resolve and learn from them.

The charter is based around housing organisations signing up to five core commitments, each of which is underpinned by a series of specific outcomes that they should be able to measure their progress against. The five core commitments are:

- Our positive and flexible approach to complaints is embedded throughout our organisation
- Our complaints service is open and accessible to all
- We deliver a quality complaints service
- We work with our customers to shape and improve our complaints service
- We monitor our performance and learn from feedback to continually improve our services

The five core commitments are as follows:

Core Commitment 1 - Our positive and flexible approach to complaints is embedded throughout our organisation:

- Our approach to complaints handling is reflected by our values, aims and objectives.
- We adopt the principle that all expressions of dissatisfaction should be taken seriously and acted on appropriately.
- We have a positive approach to complaints and they are welcomed as part of our wider approach to collecting customer feedback.
- We are committed to dealing with complaints in a fair, impartial and timely manner.
- We are committed to using complaints to review and improve the services we provide and to shape our business.
- We recognise the importance of complaints and allocate the appropriate level of resources to ensure we can deal with and resolve them effectively.

Core Commitment 2 - Our complaints service is open and accessible to all

- Any of our customers wishing to make a complaint can do so freely in an easy and simple way, using a range of different methods.
- We ensure that information about our complaints service, and relevant support or advocacy services, is promoted, easy to understand and can be accessed by all of our customers.
- We use information about our customers to help us shape and develop a fair and accessible complaints service.
- All our staff will take ownership of a complaint and either seek to resolve it or pass it on to a relevant person.
- Our customers are confident that complaints are welcomed, treated seriously and will be dealt with in confidence.

Core Commitment 3 - We deliver a quality complaints service

- We have clear processes and service standards in place so that customers know what to expect from our service. We regularly review these with customers to ensure that they continue to meet their needs.
- We keep the number of stages in our complaints process to a minimum and focus on resolving complaints at the first stage wherever possible.
- We focus on effectively resolving complaints within our published timescales.
- Customers are kept fully informed about who is handling their complaint, how to contact them and what will happen next and by when.
- Customers receive a decision that is objective, evidence-based and addresses all the issues that have been raised.
- We keep clear and accurate records as a matter of course and can account for the decisions that we have made.
- Customers are informed of how they might escalate their complaint once our internal procedure is exhausted, if they feel the problem is still not resolved.

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Core Commitment 4 - We work with our customers to shape and improve our complaints service

- Customers are involved in the review and continuous improvement of the complaints process to ensure that it is fit for-purpose, objective and outcome focused.
- We will support tenant panels (or their equivalent) to operate independently and to be actively involved in facilitating the resolution of complaints.
- We provide appropriate training to customers who are involved in the monitoring, review and resolution of complaints.

Core Commitment 5 - We monitor our performance and learn from feedback to continually improve our services

- We use performance measures that are focused on monitoring the effectiveness of our complaints handling to improve the service.
- We ask our customers if they are satisfied with our complaints handling and we use this feedback to learn and to improve the service.
- We regularly compare our complaints service with other organisations to improve the quality and value for money of our service.
- We consistently analyse the trends arising from complaints and use this information to inform our approach to customer service and staff training, to drive improvement and to target resources.
- We seek to learn from all expressions of dissatisfaction, including those that are resolved at the first point of contact, and to use them to inform our improvement plans.
- We regularly publish details of how we have improved our services as a result of learning from complaints.

We are currently assisting a housing association in Northwest England with a review of their complaints policies and procedures. For more information about how 'AWICS' can assist with complaints policies and procedures, please contact Adrian Waite at Adrian.waite@awics.co.uk or 017683-51498 or 07502-142658.

Carlisle Tenants' & Residents' Association thinks Carlisle City Council should set up a Local Housing Company

Carlisle Tenants' & Residents' Association thinks that Carlisle City Council should set up a Local Housing Company as a way of addressing affordable housing issues in Carlisle. John Barker, their Secretary, told the 'AWICS Housing News' that:

"Carlisle got rid of its 6,000 council houses sixteen years ago when they were sold to Riverside Housing Association of Liverpool. In the opinion of many people that was very much a backward step. There have been many complaints about the way the houses are now run and the relations between Riverside and the council have not been good for some years. Now the council is trying to establish a new relationship with Riverside giving the tenants some democratic voice. But many believe that the council should resume control of its housing stock and get back to building council houses again. A new council housing company appears to be a good way forward."

Local housing companies are independent arms-length commercial organisations wholly or partly owned by councils. They can develop, buy and manage properties within and outside of a local authority area. The homes they provide sit outside of the local government housing financing system and are not subject to the Housing Act and most of the social / affordable housing regulations. Over the past few years the number of companies has increased among councils across the whole of England.

The Local Government Act (2003) first enabled councils to set up trading companies (for example, for social care, transport, energy and building maintenance); and the Housing Green Paper 'Homes for the Future' (2007) – proposed Local Housing Company pilots to unlock and bring forward sites for new affordable homes.

However, it was not until the Localism Act (2011) gave councils general powers of competence to carry out 'commercial purpose' and establish companies that Local Housing Companies became a serious option for the development of new housing by local authorities. In 2015, the Elphicke-House Review 'From statutory provider to Housing Delivery Enabler: Review into the local authority role in housing supply' (2015) recommended that councils should consider setting up Local Housing Companies. One reason why local authorities favour this route is because it enables them to develop homes outside the housing revenue account, with a range of tenures and that are not subject to the 'right to buy' scheme. By 2017 the concept of local housing companies was receiving widespread support. The Housing White Paper 'Fixing our Broken Housing Market' welcomed local housing companies and called for 'more local authorities to get building' and in the General Election (2017) there was cross party support for council house building and for local housing companies to deliver more affordable homes for sale and private rent.

Recent research by the Smith Institute has found that:

- Local Housing Companies offer councils a 'triple dividend' in the form of much needed extra housing, a greater stewardship role in place-shaping and a financial return to the council.
- There are now probably as many as 150 Local Housing Companies in England, most formed in the past few years. On the current trend, this could increase to 200 by 2020 – covering just over half of all councils in England.
- Local Housing Companies have been established by all kinds of councils, across the size spectrum, including, in some cases, with participation by counties. The largest concentrations are in London and the South East.
- Most Local Housing Companies have modest ambitions to build (averaging around fifty units a year), although there are larger housing companies in urban areas with major build programmes.
- Collectively Local Housing Companies could increase completions over time from 2,000 homes a year to 10,000-15,000 homes each year by 2022, with perhaps a quarter of the total in London.
- Around 30%-40% of new Local Housing Company homes are likely to be 'affordable', with a minority at the equivalent of social rented levels.
- Councils are attracted to Local Housing Companies because they want more control and influence, and greater freedoms and flexibilities (especially over rents, borrowing and the Right to Buy).
- Local Housing Companies can generate income and cross-subsidise new private affordable and sub-market housing at social rents.

Local Housing Companies provide a mix of housing tenures, with the focus on renting (at equivalent affordable rent and market rent levels) and to a lesser extent at social rented levels. Some Local Housing Companies provide homes for sale and to meet specialist housing needs and several are involved in estate renewal and regeneration schemes. Most Local Housing Companies are wholly owned by the council, that typically provides loan finance and land. Most are governed by a mix of Members and officers and partly staffed by the council and external consultants. A few Local Housing Companies are multi-council, and some are subsidiaries of a council-owned regeneration or property company. Some of the larger Local Housing Companies have attracted private finance and established 'revolving investment' funds.

Most councils expect their Local Housing Company to generate a profit, that can be re-invested into the housing company. Besides income from rents and sales, Local Housing Companies attract funds from the New Homes Bonus, additional council tax, and planning gain. Councils are also generating income from 'on-lending' to the Local Housing Company (borrowing long term at below market rates from the Public Works Loan Board and on-lending at a market-rate premium). Councils claim that Local Housing Companies are there for the long term and are more resilient to market and financial risk than private developers and that the Local Housing Company can 'flip tenures' and defer dividend payments if needs be.

'AWICS' has recently provided training on the establishment of local housing companies to a London Borough Council and have prepared an options appraisal for a potential local housing company for a district council in Southwest England. For more information about advice and assistance that AWICS offers with Local Housing Companies, please contact Adrian Waite at Adrian.waite@awics.co.uk or 017683-51498 or 07502-142658.

Social Security (Scotland) Act 2018

The Social Security (Scotland) Act 2018 is an Act of the Scottish Parliament that allows for the devolution of aspects of the social security system to the Scottish Parliament as part of the devolution settlement agreed by the Smith Commission after the independence referendum in 2014. It uses powers that have been devolved to the Scottish Parliament under the Scotland Act 2016. It provides for the establishment of an agency to provide social security payments, known as Social Security Scotland. It passed the third and final legislative stage in April 2018 and received royal assent in June 2018.

The Act starts by establishing eight Scottish social security principles that are:

- Social security is an investment in the people of Scotland,
- Social security is itself a human right and essential to the realisation of other human rights,
- The delivery of social security is a public service,
- Respect for the dignity of individuals is to be at the heart of the Scottish social security system,
- The Scottish social security system is to contribute to reducing poverty in Scotland,
- The Scottish social security system is to be designed with the people of Scotland on the basis of evidence,
- Opportunities are to be sought to continuously improve the Scottish social security system in ways which—
 - Put the needs of those who require assistance first, and
 - Advance equality and non-discrimination,
- The Scottish social security system is to be efficient and deliver value for money.

The Act then identifies three effects of these principles as follows:

- The Scottish social security principles are set out in section 1 so that—
 - They can be reflected in the Scottish social security charter as required by section 15(3), and
 - The Scottish Commission on Social Security can have regard to them as required by section 97(6).
- A court or tribunal in civil or criminal proceedings may take the Scottish social security principles into account when determining any question arising in the proceedings to which the principles are relevant.
- Breach of the principles does not of itself give rise to grounds for any legal action.

Following the passage of the Bill through the Scottish Parliament, Jeane Freeman MSP, Minister for Social Security said that:

“This is an historic moment, one that sets up a new public service for Scotland. (The new system) will be rights-based with a right to independent advocacy for those who need it; fast-tracked arrangements and no arbitrary timescale for people with terminal illness; the right to have a supporter; and the right to challenge decisions without having your money instantly cut.”

Social Security Scotland will be responsible for the provision of social security payments of specific welfare areas:

- Personal Independence Payments
- Carer's Allowance
- Attendance Allowance
- Disability Living Allowance
- Winter Fuel Payments
- Cold Weather Payments
- Severe Disablement Allowance
- Industrial Injuries Disability Benefits
- Funeral Expenses Payments (to be replaced by Funeral Expense Assistance)
- Sure-Start Maternity Grant (to be replaced by Best Start Grant)

Social Security Scotland will operate from two large bases in Dundee and Glasgow, alongside operations at a local level.

However, most of the social security budget remains reserved at Westminster. In 2016/17, the United Kingdom government spent £212 billion on benefits in Great Britain with £18.2 billion (8.6%) spent on individuals in Scotland. Of this, around £15.3 billion (84.4%) was spent on reserved benefits and £2.8 billion (15.6%) was spent on benefits to be devolved after 2016/17. In addition, the Scottish Government allocated £33 million to the Scottish Welfare Fund in 2016/17. As of April 2017, Discretionary Housing Payments were devolved. This leaves £2.8 billion of benefits remaining to be devolved after 2017.

The principal reserved benefits are the state pension, tax credits, housing benefit, employment support allowance, child benefit and pension credit. The principal devolved benefits are Disability Living Allowance, Personal Independence Payments, Attendance Allowance, Carer's Allowance, Winter Fuel payments and Industrial Injury benefits. Discretionary Housing Payments with a budget of £52 million were devolved in 2018.

Information about services that 'AWICS' offers in Scotland can be found on our website at: <https://awics.co.uk/services-in-scotland>

Early Intervention, Prevention and Support Grant in Wales

The Welsh Government is proposing to introduce an 'Early Intervention, Prevention and Support Grant' to replace 'Supporting People Grant' and other anti-poverty schemes.

In Wales there are a number of programmes aimed at supporting vulnerable people or communities. These aim to help those with issues such as domestic abuse, and workless households, and to aid early intervention and build resilience in individuals and communities. Each programme is underpinned by a specific grant with its own requirements, restrictions, associated costs and administration.

Over the last few years, the Welsh Government have been working with Local Authorities to align various grants enabling service re-design to deliver sustainable improvements for vulnerable people across Wales and to reduce unnecessary bureaucracy.

This Flexible Funding project aims to enable local authorities to work differently, giving more scope to design services to support a far more joined up, preventative, long-term approach to delivering for the most vulnerable in society. It is intended to support and promote joint planning, commissioning and more effective use of funding for each programme's aims and objectives. The extra freedom allows for a more strategic approach to delivering for the most vulnerable in society. During 2018-19, seven pathfinder areas are testing the single grant. These pathfinders have flexibility across the following 10 grants:

- Supporting People
- Flying Start
- Families First
- Legacy Fund
- Promoting Positive Engagement for Young People
- Childcare and Play (formerly Out of School Childcare)
- Homelessness Prevention
- Rent Smart Wales Enforcement (formerly Independent Living)
- St David's Day Fund
- Communities for Work Plus (formerly the Employability Grant)

The remaining fifteen local authorities have enhanced flexibility to reallocate funds – up to 15% - across the following five of the ten grants in 2018-19:

- Supporting People
- Flying Start
- Families First
- Legacy Fund
- Communities for Work Plus (formerly the Employability Grant)

This is intended to support the start of their journey to more innovative thinking on service delivery.

The Welsh Government expects all local authorities to allocate funding to the Supporting People programme at least at the level of their Supporting People allocation unless they can demonstrate that they can be sure of delivering the same, or improved, services for less money because of efficiencies.

For 2019/20, the Welsh Government is considering creating a single Early Intervention, Prevention and Support Grant. However, no decision has yet been made on this. The pathfinders are testing out a single grant approach in 2018/19 and the Welsh Government is also commissioning an independent evaluation in 2018/19 to help inform a decision by Cabinet Secretaries and Ministers.

However, the proposal has been criticised by a cross-party group of Welsh Assembly members who consider it is confusing and fear it will lead to reduced funding for housing support for vulnerable and elderly people. The Supporting People Grant in Wales is currently a £125million a year ring-fenced scheme.

Information about services that 'AWICS' offers in Wales can be found on our website at: <https://awics.co.uk/services-in-wales>

Treasury Management in Housing Associations

Treasury Management is the activity of managing the Housing Association's cash flows so that the Housing Association remains in funds and can afford to meet its liabilities as they fall due. Specifically, Treasury Management:

- Provides the financial resources necessary for the Housing Association to achieve its purposes
- Manages the associated risks (organisational and financial) that might threaten its ability to achieve these objectives
- Manages the financial assets in a way that ensures that they maintain their value.
- Manages the financial liabilities in a way that ensures that they remain affordable

A Housing Association agrees a Treasury Policy Statement that includes:

- The limits of the approved treasury management activity
- How the financial management strategy is formulated
- The approved methods of raising capital finance
- Approved sources of finance
- Policy on interest rate exposure
- Policy on external cash managers
- Delegated powers
- Review and reporting arrangements

The success of the cash management strategy depends on balancing the need to optimise the position on paying or receiving interest with the need to have sufficient funds available to finance transactions. Housing Associations normally borrow at a margin over a reference rate such as the London Inter Bank Offer Rate (LIBOR).

Cash reserves are held both for the 'transactions motive' – to enable the Housing Association to fund transactions; and for the 'precautionary motive' – to give the Housing Association sufficient funds to cover an unforeseen contingency. Housing Associations are usually 'risk averse' and make use of credit ratings in determining where to hold surplus cash.

Private loans are a major source of finance. Usually loans are long-term at fixed rates of interest. Housing Associations typically borrow £6billion a year from the private sector, with 80% being provided by banks and building societies. Total loans outstanding were £44.4billion on 31st March 2011. Private Loans are considered in detail in a separate chapter.

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In planning and managing their loans Housing Associations pursue a mix of objectives including:

- Cheapness – low interest rates
- Certainty – fixed interest rates

- Coherence – matching of cash flow with debt servicing
- Renewability – seeking options to extend loans
- Redeemability – seeking options to cancel loans
- Security – seeking a balanced portfolio in terms of loan types and terms

In negotiating loans Housing Associations consider their legal and managerial competence including powers to borrow, ability to service debt and the relationship of new loans to loans already outstanding. Lenders usually seek ‘covenants’ – that is, conditions regarding the financial performance of the Housing Association. Housing Associations also consider matters including collateral and cover ratios – the links between assets and income flows, the relationship between fixed and floating charges and the interest cover ratio.

Loan covenants related to gearing are common in the loan agreements of traditional housing associations. It is calculated in a number of different ways. All calculations measure the proportion of debt to equity in a provider’s financial structure. A common definition is to measure loans as a proportion of the sum of grant and reserves. Most loan agreements that use this definition set a maximum gearing level of between 60% and 80%.

The National Housing Federation is holding its annual Treasury Management Conference and Exhibition in October 2018 (see advertisements section below).

Further information about assistance and advice that ‘AWICS’ offers to housing associations can be found by clicking here: <https://awics.co.uk/housingassociations-1>

Editorial Note

The AWICS Housing News is published by AWICS Limited. This edition was edited by Adrian Waite. Articles are written by Adrian Waite unless otherwise stated. However, the views expressed are not necessarily those of Adrian Waite or AWICS unless expressly stated.

All feedback from readers is welcome and should be sent to adrian.waite@awics.co.uk

AWICS Surveys

At AWICS we value feedback from our clients and from users of our website. This is for two reasons:

- We actively seek feedback from clients so that we can evaluate what we are doing now and use the information to improve our services in future.
- We like to have a dialogue with clients and users of our website so that we can understand their developing needs and provide services to meet them as part of a long-term commercial relationship.

We have therefore developed a series of surveys and questionnaires that can be found at: <http://awics.co.uk/questionnaires-and-feedback>

These include surveys about our seminars and our webinars. Whether or not you have attended one of our seminars or webinars recently, I would be grateful if you could assist us by completing one of our short surveys.

The survey on seminars can be found at: <https://form.jotformeu.com/71926426584364> and the survey on webinars can be found at: <https://form.jotformeu.com/73325960384360>

All You Want to Know about Service Charges in Social Housing - Seminar

We are holding our 2018 series of seminars on 'All You Want to Know about Service Charges in Social Housing' between February and September 2018. This seminar is designed to give an introduction and overview to this important subject and is fully up to date with all developments.

Service charges are an integral part of landlords' work in financing value for money services and sustaining customer satisfaction. They have always been relatively complex but with increased financial challenges and legal and financial complexity there is an increased need to understand how service charging works.

Housing Associations have traditionally levied service charges with most local authorities in England introducing them in the 'noughties'. Financial constraints and proposals for the future funding of supported housing are leading many local authorities and housing associations to look at reviewing their approach to service charges. The rolling out of Universal Credit is having an impact on benefit entitlement for service charges.

According to the Homes & Communities Agency, Service Charges income in English housing associations fall short of service charge costs by £300million a year. This represents a significant cost that could be avoided if full recovery of service costs could be achieved as is regarded as best practice. The situation in local authorities is similar.

These seminars are suitable for people who are not experts in service charges, but who need to understand the basics and achieve an overview of what is going on. They are suitable for councillors, board members, housing managers, legal staff, finance staff, tenant representatives, members of the service charges team with limited experience and others who realise that an understanding of service charges can place them at an advantage!

What the Sessions Cover:

- How do Service Charges work in Housing Associations and Local Authorities and for Leaseholders and Tenants?
- How are service charges calculated?
- How to de-pool service charges?
- When are service charges eligible for housing benefit / universal credit?
- Service Charges in Supported Housing
- Service Charge issues and how to ensure excellent customer service?

The sessions are accompanied by a very useful 100-page book that is designed for reference after the session entitled: "All You Want to Know about Service Charges in Social Housing 2018"

The cost of this seminar in London is £250 plus VAT making a total of £300. **However, there is a £20 discount for people who book a month or more in advance making the cost £230 plus VAT making a total of £276.**

Remaining Venue and Date:

- **London:** Novotel Hotel, Waterloo – 11th September 2018

For further information or to make a booking, please click here: <http://awics.co.uk/all-you-want-to-know-about-service-charges-in-social-housing-2018>

Other AWICS Seminars

Our next seminars include:

- Developments in Local Authority Housing Finance
- All You Want to Know about Social Housing Finance in Wales
- All You Want to Know about Local Authority Housing Finance

Information about all our seminars can be found at: <http://awics.co.uk/seminars-2018>

Feedback that we have received at our seminars can be found at: <http://awics.co.uk/course-feedback>

About 'AWICS'

'AWICS' is a management consultancy and training company. We specialise in providing support in finance and management to clients in local government and housing in England, Scotland and Wales. We are well known for our ability to analyse and explain complex financial and management issues clearly. Our mission statement is 'Independence, Integrity, Value'. We therefore provide support to clients from an independent standpoint that is designed to help the client to achieve their objectives. We are passionate about working with the utmost integrity. We believe that we offer the best value for money that is available today!

For more information about our services and us please visit our website at www.awics.co.uk or contact Adrian Waite at Adrian.waite@awics.co.uk. Services that we offer include:

- Management Consultancy – <http://www.awics.co.uk/ManagementConsultancy.asp>
 - Interim Management – <http://www.awics.co.uk/interimmanagement.asp>
 - Regional Seminars - <http://awics.co.uk/seminars-2018>
 - In-House Training - <http://www.awics.co.uk/inHouseCourses.asp>
 - Webinars - <http://www.awics.co.uk/webinars.asp>
 - Independent Residents' Advice – <http://www.awics.co.uk/IndependentTenantAdvice.asp>
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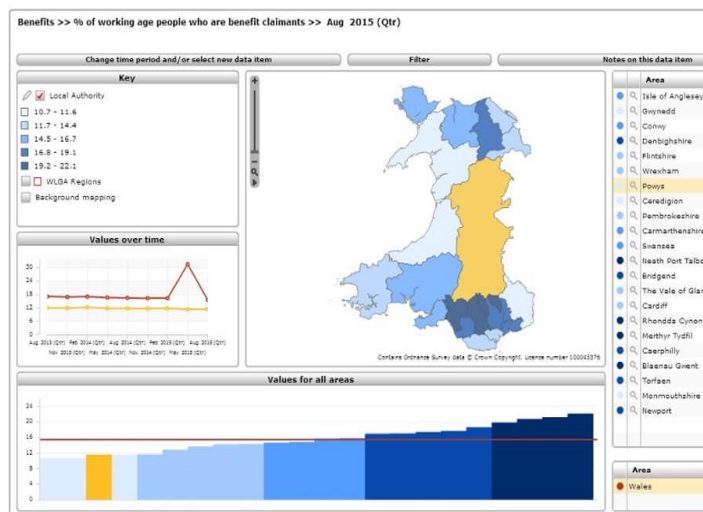
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- is a freely available, national information system displaying publically available data about Wales from local authority level to a local area (lower super output area) level
- provides easy access to a wide range of data for Wales. The data covers a range of themes including: people; employment; business; education; health; housing; environment; transport; and community safety
- presents data in reports, tables and maps which are all easy to export

Extremely useful for providing the data you need for profiling your area, to underpin evidence based policy decisions and for funding bids.

Please contact us and we will do our best to help you find the data you are looking for.

InfoBaseCymru is accessed via the internet for public use, we can provide restricted shared access to specific data sets where necessary.



www.infobasecymru.net
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IF YOU WOULD LIKE TO PLACE AN ADVERTISEMENT IN THE AWICS HOUSING NEWS PLEASE CONTACT Adrian.waite@awics.co.uk

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