AWICS Independence.....Integrity.....Value
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AWICS Wales News

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CONTENTS:

Wales and Brexit

Ever since 1973 when the United Kingdom joined the European Union, many parts of Wales have benefitted from European Union funding especially from the European Regional Development Fund and European Social Fund. However, during the referendum campaign 'Leave' campaigners argued that the United Kingdom government would be able to continue funding such programmes if Britain were to leave the European Union.

Following the announcement of the referendum result, Welsh First Minister Carwyn Jones is determined to hold the 'Leavers' in the United Kingdom government to their word. Within hours of the Brexit result being announced he called for 'the promise made that Wales will not lose a penny than it pays in to be guaranteed'.

The Common Agricultural Policy also provides £200million a year in support to more than 16,000 Welsh farms, and before the referendum the First Minister warned that there is 'no way farming could continue without European funding'. However, Welsh Conservative leader Andrew Davies said there was a 'solid guarantee that Welsh farmers would continue to receive at least as much in terms of support'.

Wales receives around £245million more from the European Union that the nation pays in, according to a report published in May. Cardiff University's Wales Governance Centre said that Wales contributed £414million to the European Union but received £658million in funding. So there was a net benefit to Wales of around £79 per head in 2014. On this basis the loss of this support could be devastating – especially the United Kingdom economy declines. However, it also said the United Kingdom overall made a net contribution of £9.8billion in the same year – the equivalent of a payment per person of £151.

The Welsh Government says they have received £4billion through European Union structural funds since 2000. The funding is intended to help the poorest areas of Wales and there will be deep alarm if the funding tap is turned off. These are the main funds which benefit Wales:

- European Social Fund (investing in people via things like jobs and education)
- European Regional Development Fund (focusing on research and social cohesion)
- Agriculture and Rural Development (includes the Common Agricultural Policy)
- European Maritime and Fisheries Fund (aims to help fishermen and coastal communities

The latest round of funding covers the 2014-20 period. The budget from the European Regional Development Fund has already been allocated: £393million is due to go on connectivity / urban development; £311million on research and innovation; £198million on small business competitiveness; and £155million on renewable energy/energy efficiency. European Social Fund cash has also been earmarked: £353million for skills for growth; £244million for youth employment and attainment; and £192million for tackling poverty/sustainable employment.

Some of the biggest projects in Wales have been backed by the European Union. Swansea University's Bay campus was backed with £40million of structural funds, plus a finance package worth £60million from the European Investment Bank., cash has been poured into improvements on the A465 and millions has been spent revitalising town centres throughout the Valleys. The National Waterfront Museum in Swansea was supported with £3.7million in European Union funds and the transformation of Ponty Lido was backed with £3million in support. The flagship Wales Coast Path project received nearly £4million.

Since 2007 EU projects have achieved the following:

- Supported 229,110 people to gain qualifications
- Helped 72,700 people into work
- Created 36,970 (gross) jobs and 11,925 enterprises

For the purposes of allocating funding, Wales is split into two regions: West Wales and the Valleys; and East Wales. West Wales and the Valleys is a 'less developed region'. These are considered Europe's poorest regions, and Gross Domestic Product is less than 75% of European Union average. East Wales is a 'more developed region'. These are Europe's more prosperous regions – Gross Domestic Product is 90% or more of European Union average.

East Wales consists of: Cardiff, Flintshire, Monmouthshire, Newport, Powys, the Vale of Glamorgan and Wrexham.

West Wales and the Valleys consists of all other areas. They get the money under European Union Regional Policy that aims to reduce economic disparities between the European Union's regions. All European Union regions benefit from Regional Policy funding. But who gets what depends on where they're grouped. And by far the largest amount of funding is dedicated to the 'less developed regions' category mentioned above.

Today, even though there has been a vote to leave, the United Kingdom remains a European Union member. Even during the two-year formal negotiation process (which might not start for months or even longer), all European Union treaties and law will continue to apply. It could therefore be expected that European Union programmes would continue as they currently are until the United Kingdom actually leaves but this is not certain as the United Kingdom government is only prepared to guarantee schemes that are signed off before November 2016.

Even less certain is what will happen after the United Kingdom leaves the European Union. This will clearly depend on the resources that will be available to the United Kingdom government at that time and its priorities. In practice, the United Kingdom government may not match the funding that has previously been provided by the European Union either because of reduced resources or changed priorities. For example, during the referendum campaign suggested that the United Kingdom government should continue existing European programmes while others suggested that this funding should be diverted to the National Health Service. In practice, the same money cannot be spent twice!

David Davis MP (Conservative) who supported the 'Brexit' campaign has been appointed Secretary of State for exiting the European Union. He has stated that the £19billion a year the United Kingdom currently pays into the European Union would be available to the United Kingdom to allocate as it wishes once it leaves the European Union, rather than relying on what it currently gets back in grants and funding. He said he was 'more than happy' to work with the Welsh government to ensure that Wales did not lose any funding.

However, I am not confident that central government will be willing to provide the guarantees that the Welsh Government is looking for, for two reasons:

First, while economic regeneration is central to the objectives of the European Union it has never been considered so important by the United Kingdom government. I remember working in the Western Isles and being told that it had been the European Union that had funded all the infrastructure including roads and electricity and that this would never have been funded by a United Kingdom government. I also remember working on the European programmes in the West Midlands and West Cumbria in the 1990s when it was the European Union that wanted to regenerate those areas while the UK government placed bureaucratic obstacles in the way. During the referendum the 'Leave' campaign proposed that all funding for regional development and regeneration programmes should be diverted to the National Health Service. If regional development and regeneration is to continue after Britain leaves the European Union, there will need to be a significant cultural shift in the United Kingdom government.

Second, despite the United Kingdom government abandoning its target of balancing the budget in 2020 it is clear that there will now be even more austerity and 'shrinking of the state' than had previously been envisaged as outlined above.

Ministers have suggested that, as the United Kingdom will now have to shift the focus of its trade away from developed countries in Europe towards developing countries like China and India, there is a need for United Kingdom businesses to become 'more competitive'. This means lower wages and lower taxes.

We are therefore facing a 'perfect storm' for the public finances in the long-term with a need to reduce the deficit, reduce taxation and pay more in capital financing costs.

The United Kingdom government has already suspended £3billion of payments under the European Regional Development Fund indefinitely.

In these circumstances I would be surprised if the United Kingdom government would be willing to guarantee fully the existing regional development and regeneration programmes; let alone introduce any meaningful programmes after 2020. The Welsh Government will have to be very persuasive if anything significant is to be salvaged.

Welsh government faces three-year funding reductions

The Welsh Government's budget could be cut by 3.2% in real terms over the next three years, according to an analysis from the Institute for Fiscal Studies that was presented as part of the Wales Public Services 2025 programme, hosted at Cardiff Business School. This programme provides independent analysis of the fiscal, economic and policy challenges facing public services in Wales.

This conclusion is drawn by using forecasts set out in the 2016 budget. If the Welsh Government decided to protect the NHS budget, as has been the case for the English NHS, then other spending would could face cuts averaging 7.4% in real terms. In this scenario, local councils would be likely to be particularly affected by budget reductions. If the Welsh Government protects NHS funding and cuts grants to councils in line with the rest of its spending, grants would be cut by 7.4% in real terms by 2019-20.

The Office for Budget Responsibility has predicted that Welsh councils will increase council tax bills by around 4% each year, in each of the next three years. In view of the additional revenue this would provide, councils would see an overall drop in their budgets of 5.9%. This is in addition to the real-term reductions of between 20-50% that areas like housing, culture and leisure, and planning have faced since 2009/10.

The Institute for Fiscal Studies also highlighted the potentially serious implications for the Welsh Government's budget, in the light of the vote for the United Kingdom to leave the European Union. The United Kingdom government has confirmed that funding for payments to farmers will be guaranteed until 2020.However, funding for rural development and regional development projects will not be guaranteed unless projects are signed off before the 2016 Autumn Statement. Later projects will be funded on a case-by-case basis and there are no guarantees at all after 2020. If no extra funding is provided, the Welsh Government would have to find over £500million a year from its existing budget if it wanted to continue to fund these schemes. This is likely to more than double the average budget reductions to 6.9% in 2020/21.

Polly Simpson, a research economist at the Institute for Fiscal Studies and an author of the report said the research highlights the difficult budgetary trade-offs facing the Welsh Government and that:

"Protecting such large areas of spending as health, social care and education would require substantial cuts to other areas of spending that have often already had to absorb seven years of real-terms cuts (and that tax increases were) unlikely to be a panacea. For instance, even increasing council tax by over 7% a year, could still leave some council services facing double-digit cuts over the next three years."

Chris Tidswell, the Head of the Chartered Institute of Public Finance & Accountancy in Wales, said that question marks would now inevitably hang over the sustainability of services:

"With savings and efficiencies, local government organisations have so far managed to balance the books, but these options are being exhausted, leaving a very real risk to non-statutory services…Councils must look to more entrepreneurial solutions to raising income. If not, it will be a case of organisations managing decline, rather than developing services to meet the needs of communities now and in the future."

Calls for Welsh Government to Invest in Housing

Community Housing Cymru and the Chartered Institute of Housing Cymru have urged the Welsh Government to spend some of its 2016/17 budget on housing, following the Welsh government's request for suggestions on how they can spend the £16billion.

The National Assembly's Finance Committee will also focus on how the Welsh Government and government-funded bodies are preparing for the Wales Bill which, if passed, will mean tax-raising powers in areas such as stamp duty and landfill levies being passed to Wales.

Aaron Hill, Community Housing Cymru's public affairs manager, said:

"We need to build more homes and invest in people and communities. The result of the European Union referendum has prompted economic uncertainty, and investment in the housing sector can stimulate the Welsh economy, create more jobs and weather this economic storm. At a time of limited resources, we need to make the Welsh pound stretch further, and relatively small amounts of revenue funding in a new round of Housing Finance Grant, alongside continued Social Housing Grant, would free-up more capital to build. Rural Housing Enablers are key in Wales, as there is limited provision of affordable housing in rural areas which creates a threat to the social, cultural and economic sustainability of many small communities in Wales."

Kevin Howell, Director at the Chartered Institute of Housing Cymru, said:

"The Welsh Government must take action to ensure we address the national housing crisis with the knowledge that investment in affordable housing helps transform lives, supports local and national economic growth and creates and maintains jobs, training and education. In these uncertain times investment in the supply of sub-market housing could utilise potential spare capacity in the building industry and stimulate the wider economy. We also need to bear in mind that good quality housing and housing-related services play a key role in preventing illness and improving wellbeing.

"This reduces the need for interventions from the National Health Service and social care, two areas of public service which are facing a double burden of increased demand at the same time as they need to make savings. Housing also plays an important role in the delivery of environmental strategies. Housing investment, including housing-related support, reduces homelessness and generates huge savings to other service areas, including housing benefit, health and social care budgets. Finally, it's vital that housing investment decisions are underpinned by a strong evidence base so that money is targeted in ways that will best meet the needs of local communities and also make the biggest difference.

"Alongside this, we know health spending makes up almost half of Welsh Government's spend at present, but there needs to be a shift in focus to preventative services to match their prudent healthcare agenda. It is imperative Welsh Government continues to protect and fund the Supporting People Programme which is a vital lifeline for more than 60,000 people across Wales. For every £1 spent on the programme, a £2.30 saving is made to the public purse. In addition, there should be investment in in a series of integrated health and housing solutions to reduce pressure on the Welsh National Health Service. £50million of funding for health and social care could create more collaborative projects which would allow social housing providers and health services to work closely, make savings and free up vital resources in the Welsh National Health Service. It's clear that investment in housing stimulates the Welsh economy as a whole, and that's why it's vital that housing investment is sustained and prioritised in this assembly term."

The Committee will consider the detailed proposals when the draft budget is published in October.

Tax Devolution Budget Shortfall Warning for Wales

Control of property and landfill taxes passes to Wales in April 2018, with the prospect of power over income tax rates to follow. Until now, the Welsh Assembly and Welsh Government have largely been funded by a block grant from the United Kingdom Treasury. Negotiations are due to begin in the autumn over how much the grant will be reduced as Wales raises more of its own income.

However, Wales could suffer a budget shortfall if devolved taxes do not make up for grant cuts, academics have warned. Stamp duty would raise less money per head in Wales than the rest of the United Kingdom, the Wales Governance Centre at Cardiff University claims. Their experts fear that the United Kingdom Treasury could cut the block grant based on revenue predictions inflated by the London property market. They have called for the figures to be adjusted to set Wales 'a more realistic and achievable target'.

On the subject of stamp duty, the Wales Governance Centre report said there was a 'very significant difference' between revenues per head in Wales and the United Kingdom as a whole. It claimed it could result in a 'large negative impact' on the Welsh budget - about £50million a year - if the higher United Kingdom figure was taken as the benchmark for income.

Report author Ed Poole said changes to grant funding:

"Exposes the Welsh Government to the deep-rooted differences in United Kingdom housing market conditions (and that) in many ways, the property market of London and south east England is detached to that of the rest of the United Kingdom and is heavily influenced by international factors totally outside the control of the Welsh Government. And that distinct nature of London's property market has further amplified since the UK's vote to leave the European Union. Excluding revenues from London and south east England from the adjustment calculations would still provide an incentive for the Welsh Government to grow the Welsh tax base, but with a more realistic and achievable target."

Housing Benefit Powers could tackle poverty in Wales

Devolving housing benefits to Wales could help boost affordable homes and tackle poverty, an independent think-tank has said. The Bevan Foundation claimed policies aimed at combating poverty in Wales were not working. It said it was disappointing that nearly a quarter of people were in poverty, as in 2006/07.

The Welsh Government said that it was 'working hard' to increase prosperity and take people out of poverty. United Kingdom government figures for 2014/15 show that about 23% of people in Wales were living in poverty The number of children living in poverty has fallen from 33% to 29% since 2012, but pensioners in poverty has risen from 14% to 17% since 2013.

For its report the foundation took its definition of poverty as those living with a household income of less than 60% of the median (middle) figure. The Foundation found that using devolved benefits well could make a difference to people's lives and strengthen the economy and that benefits for young people could also be devolved. Their Director, Dr. Victoria Winckler told BBC Wales that:

"The latest figures are very disappointing… That around 700,000 people - many of them in work - are struggling to make ends meet suggests that United Kingdom and Welsh Government policies aren't working. Even worse, reducing poverty seems to have fallen off the current Welsh Government's agenda, with few references to it in Welsh Labour's [assembly election] manifesto and the post of tackling poverty minister disappearing.

"We think there's scope to devolve some welfare benefits and bring those in-house where they're a good fit with Welsh Government policies… So housing benefit we think could make a real difference. There's £1billion coming into Wales and going straight into landlords' pockets. If that money was used differently and better, we could be building more houses and people could have more affordable and secure homes."

A Welsh Government spokesman said that:

"Wales has the fastest growing rate of employment in the UK along with the sharpest declining rate of unemployment over the last 12 months. We are working hard to identify ways we can increase prosperity for people in Wales and help people out of poverty. Job creation, closing the education attainment gap and improving skill levels are top priorities for this government and represent the most effective levers at our disposal to tackle poverty in Wales."

Six Figure Boost for more Co-operative Homes in Wales

The Nationwide Foundation is giving additional funding of £130,000 to the Wales Co-operative Centre that it will use to increase the number of housing co-operatives and affordable housing significantly. This funding is expected will support forty co-operative groups across Wales as they become established over the next three years.

The Nationwide Foundation is an independent charitable funder that has a vision for everyone in the United Kingdom to have access to a decent home that they can afford. One of the ways it is doing this is by supporting alternative, scalable models which provide affordable homes.

Co-operative housing is community-led, whereby residents democratically control and manage their homes. It can be especially suitable for 'reluctant renters'; people who are currently priced out of the owner-occupied sector and who are unable to access social housing. The Wales Co-operative Centre has identified appetite for more co-operative housing in Wales and this new funding from the Nationwide Foundation has been awarded following the success of an initial grant awarded in 2014.

A previous Nationwide Foundation grant, along with money from the Welsh Government, led to the completion of three new co-operative housing schemes, with four other co-operative housing schemes nearing completion and six further schemes at various stages of development. Using the new funding from the Nationwide Foundation, the Wales Co-operative Centre will engage experts to work with local co-operative housing projects on community development, as well as issues around legal, finance and business organisational models, leading to these co-operatives being robust and fully operational.

Derek Walker, Chief Executive of the Wales Co-operative Centre, said that:

"The people and communities of Wales have grasped with enthusiasm the opportunity for co-operative housing. Many were previously not aware of this alternative housing option but they have quickly understood what's on offer – the chance to develop ready-made communities, to take responsibility for their homes and to steward their neighbourhoods for future generations in ways that has not happened before in Wales.

"The continuation of funding from the Nationwide Foundation is critical for us to build on the excellent progress that has already been made. The Welsh Co-operative Housing programme has shown us that co-operative housing is flexible to meet many needs and any tenure. We want to ensure that co-operative housing provides a significant proportion of the new 20,000 new homes to be built during this Welsh Government term."

Leigh Pearce, the Nationwide Foundation's Chief Executive, said:

"We are delighted with the success of the first phase of our funding which has enabled Wales Co-operative Centre to provide much needed support to communities that want to take the lead in how their affordable housing is provided. A clear demand for co-operative housing has emerged and we welcome the continued commitment from the Welsh Government, which alongside our funding, will ensure that this important model of community led-housing continues to flourish in Wales."

The three new co-operative housing schemes that have been completed are:
- Home Farm Village Housing Co-operative, Cardiff, 41 homes for affordable rent
- Taf Fechan Housing Co-operative, Merthyr, Twelve homes for intermediate rent
- Ty Cyfle, Torfaen, Eight homes in a young persons scheme

The following four new co-operative housing schemes are nearing completion:
- Old Oak Housing Co-operative, Carmarthen, 27 homes for intermediate rent
- Loftus Village Association, Newport, nineteen homes for shared ownership
- West Rhyl Co-operative, Rhyl, eleven homes for affordable rent
- Shakespeare Gardens Housing Co-operative, Pontypridd, eighteen homes for affordable rent

Six new co-operative housing schemes are at various stages of development:
- L'Arche scheme, Mold, twenty homes cohousing, for people with learning difficulties or elderly residents
- Gwynedd CLT (Community Land Trust), Gwynedd, 25 homes for mixed tenure
- St Davids CLT, St Davids, sixty homes for mixed tenure
- Bronllys CIC (Community Investment Company), Hay on Wye, 100 homes
- Wrexham self-build, Wrexham, twelve community self-build
- United Welsh, Cardiff, four homes for people with learning difficulties

An example of a co-operative scheme is Loftus Garden Village in Newport. Loftus Village Association Housing Co-operative is legally responsible for the day to day running of nineteen of the total 250 affordable 'arts and craft' style homes on the garden village. The co-operative is managed by a committee of up to twelve residents. The collection of rent, drafting of policies and organising the creation of a community vegetable garden all fall within its remit, with Charter Housing and the Wales Co-operative Centre providing the training where necessary. Jane Karagianis is Chair of the co-operative and said that:

"Residents have already formed a close bond, helping and advising each other throughout the process. I believe we have a collective commitment and passion to creating a caring and trusting community that will flourish and everybody will be proud to be a part of."

Welsh integration of Health and Social Care

Faced with changing population needs and financial constraints NHS Wales is seeking to transform the way health and care services are delivered, moving away from hospitals and closer to people's homes. By working with local government, the third sector, housing, higher education and industry they intend to develop a more sustainable model of health and care.

The concept of Prudent Healthcare underpins the transformation agenda in Wales and provides a clear set of principles by which to work within individual organisations and in partnerships. The principles are:

- Public and professionals are equal partners
- Care should be provided to those with the greatest need first
- Do only what is needed and do no harm
- Reduce inappropriate variation through evidence-based approaches

The Social Services and Wellbeing (Wales) Act 2014 requires councils and health boards to come together on a regional level to improve integration. It also focuses on earlier intervention, increasing preventative services within the community and helping people maintain their independence. It is designed to transform the way social services are delivered, giving people a stronger voice and more control.

The Wellbeing of Future Generations (Wales) Act 2015 is a ground-breaking piece of legislation. It provides a framework for statutory local public service boards, that are now required to undertake a population needs assessment and to demonstrate how they are maximising their contribution to seven wellbeing goals, including a healthier, more prosperous, resilient and equal Wales. The boards are based on local footprints and include councils, the local health board, fire and rescue authorities and Natural Resources Wales.

With a population of around three million and a devolved administration responsible for health, social services, local government, housing, education, economic development and finance, the size and governance arrangements in Wales can make partnership working easier. NHS Wales considers that it has built strong personal relationships at all levels across Wales. Thier size allows them to get public sector leaders in the same room to find solutions.

Primary care clusters are a crucial development. Through 64 cluster networks of General Practitioner practices and partners, including councils, community pharmacists and the third sector, they are focusing on person-centred care. Cluster funding has allowed the Afan network in Abertawe Bro Morgannwg University Health Board to work together to set up a screening programme across nine practices for patients at risk of diabetes. This reduced the number of pre-diabetic patients.

There is still much to do. A parliamentary review of the long-term future of health and social care is due to start in Wales in the autumn and the NHS strategy 'Together for Health' ends this year. The public finance settlement for Wales is unclear and transformation requires investment.

Welsh Government consults on Social Housing Rent Standard and Guidance

The Welsh Government has consulted with representative bodies on the proposed Social Housing Rent Standard and Guidance on the Social Housing Rent Standard. Consultation began in June 2016 and ended in August 2016.

Under section 33A(1) of the Housing Act 1996, Welsh Ministers may set standards to be met by registered social landlords in connection with their functions relating to the provision of housing and matters relating to their governance and financial management. Before setting standards under section 33A or before issuing, revising or withdrawing guidance under section 33B of the 1996 Act, the Welsh Ministers are required to consult those bodies under section 33C of the 1996 Act.

Under section 111(1) of the Housing (Wales) Act 2014, Welsh Ministers may set standards to be met by Local Housing Authorities in connection with rent of housing accommodation provided by them. Before setting standards under section 111 or before issuing, revising or withdrawing guidance under section 112 of the 2014 Act Welsh Ministers are required to consult those bodies under section 113 of the 2014 Act.

The Welsh Government's current Policy for Social Housing Rents was developed in collaboration with Social Landlords, their representative bodies, tenant bodies and other stakeholders. The rent policy was subject to open public consultation and implemented by Registered Social Landlords in April 2014 and Local Housing Authorities in April 2015.

The Welsh Government's advisory Rent and Service Charge Steering Group was tasked with developing a Rent Standard and related Guidance to be met by Local Housing Authorities under the 2014 Act and by Registered Social Landlords under the 1996 Act. As the rent policy had already been implemented by both sectors, the intention was for the new Rent Standard to reflect the key elements of the existing rent policy that would become the Guidance to the Rent Standard. However, following recommendation by the Group, the current rent policy document has been re-drafted to become a clearer and more user friendly guidance document.

Following recommendation by the Group, the former Minister for Communities and Tackling Poverty agreed the Social Housing Rent Standard and the Guidance on the Social Housing Rent Standard for consultation with representative bodies. In addition, there are a few matters on which the Welsh Government specifically sought views.

The specific matters on which views were sought are as follows:

Fair Rents

Fair Rents relate to private sector and housing association tenancies before 15th January 1989 for which a registered rent is set by the Rent Officer under the Rent Act 1977. Under the Fair Rent regime, for Housing Association tenancies, the Rent Officer would normally register a Fair Rent that would include a rent and a service charge. This means neither the rent nor service charge can be changed until the Fair Rent is reviewed by the Rent Officer. A review of the registered rent can only take place every two years. For secure tenancies under the Fair Rent regime, as the service charge forms part of the rent, a variable service charge results in a variable rent.

A Rent Officer can only register a variable rent if he / she is satisfied the terms of variation in the tenancy agreement are reasonable. While Fair Rents now only apply to a small minority of social housing stock, there is currently a lack of clarity whether the properties subject to Fair Rents are included or excluded from the Social Housing Rent Standard.

As Fair Rents are governed by specific legislation (Rent Act 1977), it is proposed to exclude Fair Rents from the Social Housing Rent Standard.

Currently the guidance and definitions for the Welsh Government's annual statistical returns for stock and rents do not specify how properties subject to Fair Rents should be recorded. This leads to the potential for Fair Rent properties to be treated differently within statistical returns. It is proposed that the guidance will be strengthened to explicitly state that Fair Rents are to be included in figures reported in these returns, both to improve consistency and to ensure Welsh Government has a full picture of social rents in Wales.

The Rent Officers in Wales currently record Fair Rents registered under the Rent Act 1977 in their database. It is proposed for the Rent Officers to provide details of registered Fair Rents to the Welsh Government's Knowledge and Analytical Services. This would enable Fair Rents to be excluded from the stock and rent data used for the Social Housing Rent Standard without requiring landlords to identify the Fair Rent data separately within their statistical returns, thus limiting any additional burden for Social Landlords.

Consultation Questions:

- What are your views on Fair Rents being excluded from the Social Housing Rent Standard?
- What are your views on the proposal for the Rent Officers to provide details on registered Fair Rents to the Welsh Government's KAS (rather than asking Social landlords to identify these data separately), to ensure Fair Rent properties are excluded from the Social Rent Standard?

Section 106 Agreements

Section 106 (S106) agreements are agreements made under Section 106 of the Town and Country Planning Act 1990 (sometimes called 'Planning Obligations' or 'Planning gain'). A S106 is a legally binding private contract between a developer (or a number of interested parties) and a Local Planning Authority that operates alongside a statutory planning permission. As S106 agreements are subject to local negotiation between a Local Planning Authority and interested parties, their content will vary in terms of delivering affordable housing and its tenure.

It is proposed the properties obtained through S106 that benefit from any public subsidy or grant should be included in the Social Housing Rent Standard in cases where the requirement is for the rent to be set at social rent levels. It is also proposed the properties obtained through S106 where the requirement is other than social rents (for example at intermediate rent levels or Low Cost Home Ownership properties) should be excluded from the Social Housing Rent Standard.

Consultation Questions:

- What are your views on the proposal for S106 properties at social rent levels to be included in the Social Housing Rent Standard?
- What are your views on the proposal for S106 properties at other than social rent levels to be excluded from the Social Housing Rent Standard?

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Tenure Flexibility

The Rent and Service Charge Steering Group considered whether Social Landlords should have the flexibility to re-classify social housing dwellings as intermediate or market rented dwellings to make the best use of their housing stock. Following recommendation by the Group, it is proposed that Social Landlords should have this flexibility where assets have been funded out of their own resources. The Group further proposed that Social Landlords should not be able to re-classify dwellings that were funded by any public subsidy or grant. The justification for this decision is under current rules different rates of Social Housing Grant apply to social and intermediate rented properties at 58% and 25% respectively.

Consultation Question:

- What are your views on the proposals for Social Landlords to have the flexibility to re-classify dwellings only where they have been funded without any public subsidy or grant?

The outcome of the consultation for each of the above matters will be reflected in the Social Housing Rent Standard, Guidance on the Social Housing Rent Standard and the relevant definitions within annual statistical returns for stock and rents.

AWICS holds Seminar on Service Charges

Our seminar 'All You Want to Know about Service Charges in Social Housing' was held in Cardiff earlier in the month. I am very grateful to all the delegates who attended who came from both housing associations and local authorities. They said that the information provided was very relevant, the quality of the presentation was good and that the training met their needs fully. They described the seminar as interesting, valuable, enjoyable and useful. Specific comments included:

- Many thanks for yesterday: a really insightful and thorough run through the service charges landscape which was very useful in framing my understanding of how the regulatory and legal framework governs it, and the public sector perspective was really helpful as well.
- Invaluable opportunity to network with colleagues in other local authorities experiencing similar challenges
- Very useful, good networking as well
- Good, knowledgeable speaker

This seminar is also available as an in-house session. For more information please contact Adrian Waite at adrian.waite@awics.co.uk or 017683-51498.

Our Webinars

These webinars look at a range of subjects of interest to clients in local government and housing. They last between 1½ and two hours and offer participants plenty of opportunities for questions and discussion as well as a presentation on the topic. The cost is £40 a session plus value added tax.

The webinars conform to the same standards that clients have come to expect at our seminars and workshops but will offer a different format in which to learn and exchange information and points of view. Participants in each webinar will also receive a digital copy of the presentation used and a digital copy of a briefing paper on the subject.

The subjects that we will cover during the next few months that are of particular relevance to Wales are as follows:

Welfare Reform and Work Act

This webinar considers the Welfare Reform and Work Act and its implications for housing and local government in England, Scotland and Wales in the context of the United Kingdom government's overall approach to welfare reform.

Date: 2.00pm on Tuesday 6th October 2016.

Welsh Housing Association Finance

This webinar provides an introduction and overview of the finances of housing associations in Wales. It looks at income, expenditure, cash-flow, balance sheets, development, capital and other factors that influence Welsh housing association finance.

Date: 2.00pm on Tuesday 18th October 2016.

Welsh Local Authority Housing Finance

This webinar is a useful introduction and overview of the finance of local authority housing services in Wales. It considers income and expenditure, rent and service charges, self-financing, capital programmes, the impact of government policy and much more.

Date: 2pm on Thursday 10th November 2016.

Service Charges in Social Housing

This webinar provides an introduction and overview of service charges for leaseholders and tenants in local authorities and housing associations including how to calculate them and their eligibility for benefits.

Date: 2pm on Thursday 8th December 2016

Management Accounting: An Introduction

This webinar provides an introduction to Management Accounting. It is suitable for students of accountancy or non-financial managers. It considers management information, budgets and budgetary control, costing and decision making.

Date: 2pm on Thursday 15th December 2016.

For further information about webinars or to make a booking please click here: http://www.awics.co.uk/webinars.asp

Editorial notes

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

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Client Survey

We would be grateful if you could take part in our survey of our clients, website users, newsletter readers or others with an interest in local government or housing. If you would like to please visit http://form.jotform.me/form/50612526489459

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'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!

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