

Denbighshire County Council

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# **Application to Suspend the Right to Buy and Associated Rights**

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April 2016

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## Executive Summary

This report outlines the business case to suspend the right to buy for council tenants and associated rights for Registered Social Landlord (RSL) tenants in Denbighshire.

Denbighshire is a County where a severe “housing pressure condition” exists and this is demonstrated through a wide range of evidence in this report.

Over 4000 properties have been sold under Right to Buy and therefore despite the success of bringing over 700 affordable homes forward, the net effect is that over 3000 social housing properties have been lost.

Denbighshire’s social housing sector only represents 13% of the housing within the County (Census 2011) and this is low compared to the Welsh average. The County has the unusual situation that the private rented sector (16% of housing) is a larger than the social housing sector. The relatively small social housing sector and the limited turnover of vacancies coupled with large waiting lists means that accessing social housing is a relatively difficult task and ratio of applicants to relets is significantly higher than the Welsh average.

The current Denbighshire housing system has a range of key characteristics which collectively evidence that a housing pressure condition exists, these are:

- High levels of housing need;
- Limited vacancies within the Council and Registered Social Landlord (RSL) stock;
- Denbighshire has a high ratio of housing waiting list applicants to the number of lets each year;
- Median income levels have not recovered to pre-2007 levels in Denbighshire – reducing the affordability of the private rented and owner occupation sectors and resulting in high demand for affordable housing;
- Larger private rented sector than social rented sector within Denbighshire (opposite to most other Welsh Local Authorities);

The Council has allocated significant investment in the Housing Revenue Account (HRA) to provide new high quality Council homes that will help meet the rising demand for social rent homes and also support key regeneration aims.

The council has a wide ranging Housing Strategy to increase the supply of housing including looking at reclassification and refurbishment of existing stock to maximise the opportunities to meet housing demand in addition to new build council homes. These plans and the significant investment will be at risk if the most popular and in demand homes continue to be lost to sales.

Full Council has discussed the loss of social housing stock on 26th January 2016 and acknowledges plans to increase the supply of new homes in the County but is very aware that any impact will be lost if right to buy sales continue.

## Introduction

The Right to Buy (RTB) has a significant impact with the loss of approximately 4000 social housing homes within Denbighshire. Despite over 700 affordable homes being brought forward since 2004, the net affect has been a marked reduction in the number of social rented properties available for those in the greatest housing need.

The purpose of this document is to use evidence to demonstrate the housing pressure the county of Denbighshire is experiencing and to provide a case for suspending the 'RTB', in the county to help alleviate this pressure. This suspension is sought for all areas of Denbighshire and will help to protect us from any further loss of social housing whilst we deliver our plan to increase the supply of social rented and other forms of affordable housing.

The current Denbighshire housing system has a range of key characteristics which collaboratively evidence that a housing pressure condition exists, a key part of the case for suspending the Right to Buy:

- Wide ranging evidence of high levels of housing need;
- Limited vacancies within the Council and Registered Social Landlord (RSL) stock;
- Denbighshire has a high ratio of housing waiting list applicants to the number of lets each year;
- Median income levels have not recovered to pre-2007 levels in Denbighshire – reducing the affordability of the private rented and owner occupation sectors;
- Larger private rented sector than social rented sector within Denbighshire (opposite to most other Welsh Local Authorities);
- 14% of Denbighshire is classed as being in the top 10 most deprived areas in Wales according to the Welsh Index of Multiple Deprivation.

Welsh Government undertook a consultation on the future of RTB and Right to Acquire and overall the responses show support for the proposal to reduce the maximum sales discount and the proposal to develop legislation to end the Right to Buy and Right to Acquire. As any change to legislation is likely to be a lengthy process this application seeks to preserve the limited social housing stock whilst we invest resources in increasing the supply of social and affordable housing.

Significant investment has been allocated in the HRA to allow the council to drive regeneration schemes through land acquisition and to once again build new high quality council homes. This significant investment is at risk if further homes continue to be lost through right to buy.

## Background

A housing pressure exists in Denbighshire for a range of reasons each of which are fully discussed in the following sections. The infographic pulls together the key characteristics of the housing system in Denbighshire:

### Population & Households

 **94.5k**

2013 mid-year population estimates for Denbighshire

 **41k**

2013 mid-year estimate of Denbighshire households

 **1.1k**

Forecasted increase in households 2015-2020

 **£23.8k**

Median household income in Denbighshire 2014

 **£1.5k**

Decrease in median household income since 2007

 **21%**

Population in Denbighshire aged 65 and over

 **24%**

Population in Denbighshire with an activity limiting illness or disability

 **64%**

Increase in full homelessness decisions awarded in 2014/15 from 2013/14

 **14%**

14% of Denbighshire is classed as being in top 10 of the most deprived areas in Wales (Welsh Index of Multiple Deprivation - WIMD)

### Housing Market

 **176**

New properties completed 2014/15 up 17 on 2013/14

 **50%**

Population cannot afford a 2 bedroom open market house in Denbighshire

 **1.1k**

Forecasted increase in households 2015-2020

 **37%**

Households in Denbighshire who own their homes outright

 **32%**

Households in own properties with a mortgage

 **732**

Properties purchased under Right-to-Buy between 2000 and 2014.

### Rental Market (Based on 2011 Census)

 **3.2k**

Households in Denbighshire renting from council in 2011 (decrease of 0.5k from 2001)

 **2k**

Households renting from housing associations in 2011 (increase of 0.5k from 2001)

 **6.4k**

Households renting in the private sector (increase of 1.5k from 2001)

Denbighshire's housing system is dominated by owner occupation and the private rented sector. The slow recovery in incomes within Denbighshire has meant that the affordability of these sectors is decreasing and they are increasingly difficult to access for people on low incomes. The number/proportion of Social Housing in Denbighshire is lower than the Welsh average and is smaller than the private rented sector. The private sector in Denbighshire increased by 3.7% to 15.9% of all housing between 2001 and 2011 (Census 2011).

The table below illustrates the breakdown of the tenure in Denbighshire (Census 2011):

Tenure	2001		2011	
	No. of households	% of Households	No. of Households	% of Households
Owned Outright	14,435	36.19%	14,937	36.84%
Owned with a Mortgage or Loan	14,090	35.32%	12,855	31.70%
Social Rented from Council	3,780	9.48%	3,283	8.10%
Social Rented from a HA <sup>1</sup>	1,488	3.73%	2,042	5.04%
Private Rented	4,862	12.19%	6,446	15.90%

**Tenure 2011 & 2001. Source: ONS © Crown Copyright**

Denbighshire County Council was formed from the merger of the two former authorities of Rhuddlan Borough Council and Glyndwr District Council in 1996. RTB records are only held for Rhuddlan Borough Council (northern, more urban areas) as the Glyndwr District Council data was never located. These records show that 2133 properties sold in Rhuddlan Borough Council and Denbighshire County Council. Records show that 218 properties were sold in Rhuddlan Borough Council before 1981 and the majority of these were houses.

The Council housing stock is currently 3420 homes spread throughout the county but relatively limited number in rural areas. The original number of Council properties was about 7500. Of current stock, age restricted housing made up of bungalows and flats amount s to 1203 homes (35% of the Council stock) and 2217 homes (65%) of general needs housing stock made up of flats and houses.

In Denbighshire there are four Registered Social Landlords who are zoned to access grant funding:

- Grŵp Cynefin (formerly Cymdeithas Tai Clwyd)
- Pennaf Housing Group
- Wales and West
- North Wales Housing (currently zoned to redevelop empty homes only)

The Right to Acquire (RTA) is an option for RSL tenants with an assured tenancy to purchase their home. The scheme is less generous than the RTB in terms of the valuation and the discounts applied for those whom qualify. Rural properties are exempt from the RTA.

## Council and Housing Association Stock

Within Denbighshire the social housing stock consists 13.14% of all housing (Census 2011) with the Council owning 3420 properties and the Registered Social Landlords (RSLs) owning 2470 properties throughout the county. The four housing associations that operate in the County: Wales & West Housing Association, Clwyd Alyn (Pennaf Housing Group), North Wales Housing and Grŵp Cynefin (formerly known as Cymdeithas Tai Clwyd are an integral part of the housing system in Denbighshire and are central to meeting need for affordable housing across the County.

Housing Associations	Units of Stock in Denbighshire
Wales & West Housing	398
North Wales Housing	10
Clwyd Alyn (Pennaf Housing Group)	1291
Grŵp Cynefin	771
<b>Total</b>	<b>2470</b>

### Housing Association Stock in Denbighshire 2016

Overall there are 2,470<sup>2</sup> housing association units in Denbighshire. Most of the Clwyd Alyn housing stock and Wales & West housing stock is distributed in the urban north of the County in Rhyl and Prestatyn. Grŵp Cynefin's housing stock is distributed more evenly across the County, with more in Ruthin, Denbigh, Llangollen and Corwen than the other housing associations.

First Choice Housing Association – a specialist provider of accommodation for people with learning disabilities, also has two properties of accommodation Denbighshire providing 8 bedspaces.

## Analysis of the housing waiting list

Denbighshire County Council has a process of annual reviews for applicants on the housing waiting list. On the anniversary of their application, applicants are issued with a renewal notice which asks the applicant to confirm their personal details and provide us with an update in their personal circumstances. This is to ensure that the applicants on the waiting list are actively awaiting an offer of accommodation. Even with this process in place there are over 2000 applicants who are currently seeking council accommodation and a further 300 who have asked for a transfer for more suitable accommodation. This indicates there the high levels of housing need in the county.

### SARTH

In 2014 the combined waiting lists for Council and Housing Association stock had 3597 applicants. In 2015 this figure had risen to 5192. Denbighshire do not currently operate a common waiting list in the county, however we are proposing to implement the Single Access Route to Housing (SARTH) common waiting list approach by the end of 2016.

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<sup>2</sup> February 2016

## Housing Pressure Condition - Needs Ratio

In Denbighshire the ratio of applicants awaiting accommodation compared to dwellings becoming available is considerably above this average as can be seen in the table below. According to Welsh Government figures, the average ratio within Wales is currently between 4.1 and 5.1. **This ratio for Denbighshire County Council is currently 10:1 and including the RSL's waiting list and turnover this is 9.7:1 (see table below)**

<u>Denbighshire CC</u>	<u>Grwp Cynefin</u>	<u>Clwyd Alyn HA</u>	<u>Wales &amp; West HA</u>
Applicants = 2398 Let's = 233	Applicants = 622 Let's = 56	Applicants = 1344 Let's = 177	Applicants = 64 Let's = 49
Ratio 10:1	Ratio 11:1	Ratio 11.5:1	Ratio 1.5:1

Historic data is not recorded for the Housing Waiting List and the current number of applicants on the waiting list as of 09/02/16 has been used for this figure as we do not record historic figures. The number of lets excludes include transfers, mutual exchanges or successions. Most RSLs do not hold historic figures for the number in terms of the Housing Waiting Lists so the current figures have been used to apply across all years.

This shows that Denbighshire is one of the highest pressure housing areas in Wales where need for social rented accommodation is great. **The average waiting time for all applicants on the waiting list is currently 562 days.**

Whilst the Welsh Government have advised that a high ratio factor will not be the sole factor in determining suspension, it does demonstrate the significant scale of housing need within the county.

## Need by Property Type

	Property Type	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms	6 Bedrooms	Total
General Needs	Bedsit	8						8
General Needs	Maisonette	7	6					13
General Needs	Bungalow	3	7					10
General Needs	Flat	661	290	11				962
General Needs	House	7	450	358	124	8	1	948
Sheltered	Bedsit	1						1
Sheltered	Bungalow	616	529	2				1147
Sheltered	Flat	613	486	2				1101

The table shows the need for property type from current Council Housing Register data and shows significant demand for all main property types.



## Local Housing Market Assessment

The latest Local Housing Market Assessment (LHMA) was completed in 2015. It has examined a range of need, demand and affordability data for Denbighshire including social rented waiting lists, the affordable housing register, and homelessness presentations along with data taken from the 2011 Census and Hometrack data, providing information on the private rented sector and entry level open market housing.

Denbighshire is in the process of formulating a common register for social housing, and currently the RSL's hold their own lists. The LHMA demonstrates that if only the current Council waiting list were used to ascertain demand, **there is a need for 334 social rented properties to be developed annually** but if all the social housing waiting lists are used to establish demand then a total of 658 properties are required annually. These properties should in the main be smaller one and two bedroom general needs properties.

The need for this social housing is distributed throughout the county, but with a particular emphasis on the larger population areas of Rhyl and Prestatyn.

Location	One Bed		Two Bed		Three Bed	Four Bed	Grand Total
	General needs	Sheltered	General needs	Sheltered	General needs	General needs	
LHMA01: Rhyl & Coast	101	8	25	-4	5	5	140
LHMA02: Prestatyn	63	16	20	-2	7	2	106
LHMA03: Bodelwyddan & Border	27	0	5	-2	0	0	30
LHMA04: Denbigh & West	9	-5	4	-3	3	0	8
LHMA05: Ruthin & East	27	2	7	-4	-2	0	30
LHMA06: Corwen & Llangollen	17	2	4	-3	0	0	20
Denbighshire	244	23	65	-18	13	7	<b>334</b>

Low End (council only waiting list) Social Rented Need for each Housing Market Area (rounded to nearest unit)

Location	One Bed		Two Bed		Three Bed	Four Bed	Grand Total
	General needs	Sheltered	General needs	Sheltered	General needs	General needs	
LHMA01: Rhyl & Coast	144	12	84	-4	32	10	278
LHMA02: Prestatyn	93	22	58	1	25	7	206
LHMA03: Bodelwyddan & Border	37	0	20	-2	5	1	61
LHMA04: Denbigh & West	13	-5	20	-3	9	0	34
LHMA05: Ruthin & East	33	2	13	-4	1	0	45
LHMA06: Corwen & Llangollen	25	2	8	-3	1	1	34
Denbighshire	345	33	203	-15	73	19	<b>658</b>

High End (all social housing waiting lists combined) Social Rented Need for each Housing Market Area (rounded to nearest unit)

A smaller need for intermediate housing has been identified with only 32 properties per year being required, this kind of tenure is still relatively unknown generally and currently only promoted through the affordable housing register. It is envisaged that once the common housing register is in operation and applicants have been reassessed under the new criteria, many more people will qualify and need this kind of accommodation.

A Shared Equity need of 80 properties annually has also been determined, again it is thought that this level of need and demand is underestimated. The Affordable Housing products of shared equity and intermediate rental are comparatively unknown, when considered against social rent. The lack of awareness of affordable housing schemes in the county was identified when developing the Denbighshire Housing Strategy as a result, Denbighshire in collaboration with the Housing Associations who operate in the County are currently working on a campaign to better promote the option. The campaign involves a more coordinated approach to advertising schemes and using the 'Rightmove' website to promote properties, as it is recognised that buyers will use this as a tool for finding suitable properties and may not be aware of the assisted schemes available.

The consultation document sent to all Denbighshire tenants regarding the right to buy

suspension included information on low cost homeownership schemes.

Location	Shared Equity Net Need	Intermediate Rent Net Need
LHMA01: Rhyl & Coast	21.4	6
LHMA02: Prestatyn	18	7
LHMA03: Bodelwyddan & Border	6.6	3.8
LHMA04: Denbigh & West	14.2	7.4
LHMA05: Ruthin & East	13.2	5.2
LHMA06: Corwen & Llangollen	6.4	3
Denbighshire	79.8	31.8

Shared Equity and Intermediate Rented Need in each Housing Market Area

## Right to Buy activity

The majority of sales occurred on the 1980's and 1990's when the more generous discounts were available. In 2003 the maximum discount was reduced from £24,000 to £16,000. This was reduced again in 2015 reducing the maximum discount available to £8000. Despite this, in 2015/16 8 homes have been sold which is the highest number since 2007/08.

Financial year	Number of Council homes sold through the Right to Buy
2001/02	91
2002/03	116
2003/04	255
2004/05	125
2005/06	46
2006/07	18
2007/08	13
2008/09	1
2009/10	1
2010/11	6
2011/12	4
2012/13	1
2013/14	3
2014/15	4
2015/16	8

These have been less than 10 right to buy Right to Acquire RSL sales however all these sales contribute to the loss of popular high demand homes.

## Pressure in the Private Rented Sector

The private rented sector prices are, like the house prices, supplied by Hometrack and are at the median level for a two bed property. The Welsh Government set private rented affordability at 30% of income; this means that a household should spend no more than 30% of their income on their rent. The table below highlights the large numbers of **households who fall outside of this affordability criteria with a range between 31.15% to 53.34%** by area.

The Denbighshire housing market has high percentages of rented properties. In 2015 the average percentage of rented properties in Wales was 14%<sup>3</sup> compared to 16% in Denbighshire. The highest percentage in Wales excluding areas which have a University, which does distort their figures. It is anticipated that the private rented sector will make up 20% of the total housing stock nationally in Wales by 2020 (3).

The Local Housing Market Assessment 2015 for Denbighshire shows the following affordability in private rented sector housing. The affordability of this sector has reduced as incomes have decreased and rents have continued to increase.

<sup>3</sup> <https://statswales.wales.gov.uk/Catalogue/Housing/Dwelling-Stock-Estimates/DwellingStockEstimatesPercentages-by-Year-Tenure>

Area	Rent (p/w)	Total Rent Paid p/a	Household Income Threshold	Percentage of Households below Threshold
Rhyl East	£121	£6,292	£20,973	49.96%
Rhyl South	£123	£6,396	£21,320	47.91%
Rhyl South East	£126	£6,552	£21,840	44.58%
Rhyl South West	£109	£5,668	£18,893	49.99%
Rhyl West	£99	£5,148	£17,160	53.34%
Rhuddlan	£126	£6,552	£21,840	48.11%
Prestatyn Central	£122	£6,344	£21,147	46.78%
Prestatyn East	£121	£6,292	£20,973	39.35%
Prestatyn Meliden	£121	£6,292	£20,973	48.95%
Prestatyn North	£122	£6,344	£21,147	48.39%
Prestatyn South West	£121	£6,292	£20,973	49.26%
Dyserth	£121	£6,292	£20,973	37.46%
Bodelwyddan	£121	£6,292	£20,973	35.82%
St. Asaph East	£121	£6,292	£20,973	40.27%
St. Asaph West	£126	£6,552	£21,840	46.08%
Trefnant	£126	£6,552	£21,840	38.77%
Tremeirchion	£126	£6,552	£21,840	35.06%
Denbigh Central	£103	£5,356	£17,853	37.40%
Denbigh Lower	£115	£5,980	£19,933	35.59%
Denbigh Upper/Henllan	£103	£5,356	£17,853	44.65%
Efenechtyd	£115	£5,980	£19,933	34.44%
Llanrhaeadr-yng-Nghinmeirch	£114	£5,944	£19,815	33.72%
Llanarmon-yn-Ial/Llandegla	£126	£6,552	£21,840	31.15%
Llanbedr Dyffryn Clwyd/Llangynhafal	£126	£6,552	£21,840	37.01%
Llandyrnog	£121	£6,292	£20,973	36.04%
Llanfair Dyffryn Clwyd/Gwyddelwern	£126	£6,552	£21,840	38.25%
Ruthin	£114	£5,928	£19,760	41.75%
Llangollen	£126	£6,552	£21,840	45.36%
Corwen	£103	£5,356	£17,853	38.73%
Llandrillo	£114	£5,928	£19,760	38.63%

The rented market makes up an important element in the County. The 2011 Census illustrates that there were 3,283 households who rent from the Council, a decrease of 497 households from the 2001 Census. Over the same period, the number of households who rent from housing associations increased by 554 households to 2,042 households. This means that there was a net increase of 57 households in social rented housing between 2001 and 2011. These figures suggest that net social rented supply was virtually stagnant between the two Censuses. A key reason for this is that despite affordable and social

housing being developed the Right to Buy is stripping out any net gain in this tenure and therefore having a detrimental effect on the authority's ability to address housing need for the most vulnerable in the county.

## A snapshot view of the open sales market in Denbighshire

Affordable housing approach has been very successful and has won a national housing award with over 700 affordable being brought forward since 2004. The credit crunch in 2008 had a detrimental effect on the housing market as severely here as in the rest of the UK. The market is still in recovery, with prices still much lower than 2008 levels. This has had the consequence of affordable housing limits being reduced. The depressed construction market means that affordable housing obtained through planning gain can only be 10% in the area, as any more than this is not viable for the developer, although the adopted Local Development plan allows this to be reviewed when house prices reach the levels of pre-credit crunch as yet there is no sign of this.

### Current average asking prices of properties for sale in Denbighshire

Property Type	Houses	Units available	Flats	Units available
1 Bedroom	£113,843	7	£122,747	8
2 Bedroom	£122,747	104*	£107,274	25
3 Bedroom	£199,216	188	£104,158	6
4 Bedroom	£265,646	108	£340,000	1
5 Bedroom	£394,683	35	£200,000	1

\* 16 are Park/Mobile homes

Source: Zoopla 18/2/16

As can be seen in the table above 15% of the two bed roomed properties on the market are actually Park/Mobile homes, which are not normally considered to be a sustainable housing option and not designed to be lived in on a permanent basis. This demonstrates that the most flexible option for accommodation, the two bed roomed property is in short supply within the county.

Highest Value Town in Denbighshire	Sold Prices (last 12 months)
St Asaph	£409,636
Ruthin	£314,126
Denbigh	£300,957

Highest Turnover Town in Denbighshire	Turnover as a % of housing stock (last 12 months)
Ruthin	25.2%
Denbigh	24.5%
Prestatyn	24.3%

## Homelessness

The number of homelessness presentations has remained constant for the last five years. The Council is bound by legislation and the interpretation of this can affect the number of applicants accepted with a full duty. In the future years the numbers may increase due to the changes to Housing Benefit regulations and lowering of the benefit cap. The homelessness team is proactively working with private landlords to increase the supply and options of stock available as the social rented sector is not able to respond to the demand appropriately.

The relatively low level of social housing and resulting low turnover means there are less opportunities to assist priority need homeless applicants with the average waiting time being 462 days in 2014/15.

Year	Homelessness Presentations	Accepted with full rehousing duty	Average time taken to discharge our homelessness duty (days)
2010/11	229	91	147
2011/12	222	78	114
2012/13	263	103	143
2013/14	177	63	145
2014/15	220	109	101

## Measures being taken to increase the supply of affordable housing

Denbighshire has recently undertaken a review of affordable housing delivery in the county, with the aim of increasing development being a major theme of the Housing Strategy 2016-2021.

Actions from the Housing Strategy include:

- Establish an affordable housing delivery / investment programme for new council homes through significant HRA investment and to drive RSL development through Social Housing Grant and HFG ii in addition to non-grant funding.
- A Programme Delivery Manager has been recruited to drive forward development.
- Review of Local Development Plan policies such as affordable housing in rural areas and commuted sums
- Undertake a review of public landholdings, working with partners, to identify suitability and availability for affordable housing
- Investigate alternative mechanisms for the funding and delivery of affordable housing
- Investigate developing a council protocol for the disposal of council land and property assets to consider best value
- Active promotion of the affordable housing register to increase applications, as more applicants will evidence demand to developers and review registration process
- Publicise successful affordable housing schemes

## New Council homes

Following the move to a self-financing Housing Revenue Account (HRA) with buy out of the subsidy system the Council is in a stronger position to be able to manage the resources of the HRA with more certainty and now able to use the mix of rental income, MRA to allocate funding to develop new build council houses.

Significant investment has been allocated in the HRA to allow the council to drive regeneration schemes through land acquisition and to once again build new high quality council homes. This significant investment is at risk if further homes continue to be lost through right to buy.

The Council will increase the supply of council homes in the forthcoming years. This is evidenced by the significant investment allocated through the HRA:

- The Council has allocated £3,827,962 for new build construction in 2016/17.
- Estimates anticipate up to 14 new council homes per year will be provided in the first 2 years with further targets to be agreed.
- The Housing Strategy Business Plan has allocated £14,822,146 to increase the stock of new council homes over the next 4 years.

This is significant investment that is at risk if significant gains in the stock available to meet housing demand is not achieved.

## RSL Development

Registered social landlords are investigating development possibilities on the following schemes

- Four sites for social rent in the County with an estimate of a potential 29 new units.
- One site where feasibility study on going of for sale / Low Cost homeownership of 20 units.
- One site for intermediate rent of 6 units.

## Land Acquisition

Sites have been identified that currently under the ownership of the HRA and also land has been transferred from general council fund into the HRA for new build development.

- Land acquisition / transfer to HRA for 22 social rent homes for council build and RSL partner development In Denbigh
- Land Acquisition / transfer to HRA for 90 new homes in Denbigh– proposed mix of private, social rent and other affordable housing.
- 8 acres of land acquired in Rhyl over 4 sites. These sites will also support the wider regeneration of West Rhyl enabling the Council housing service to lead in providing new homes with a mix of tenures.

## Other pipeline developments

In addition we are working with Grwp Cynefin on a project that will bring forward an eyesore site in Denbigh for new development. This will be linked to the demolition of poor quality council owned stock in Denbigh and replacement with more suitable high quality homes.

## Other Measures to increase supply

These measures all form part of the social and affordable housing delivery programme, which is being undertaken by the Council.

- A Housing Programme Delivery Manager has been recruited by the Council to deliver these ambitious projects aimed at increasing social housing in the county.
- Housing Revenue Account land is being strategically reviewed, where land is owned and there is negligible demand for social or affordable housing, the land is being sold to fund purchases in areas of greater demand.
- Buying back former council housing stock is also being considered to increase social housing. The first purchase is already in progress in this financial year.
- The commuted sums policy is also under review, to see if there is more effective way of utilising the money across the county to bring forward social and affordable housing. Options being considered include buying and redeveloping empty homes, money being used countywide, purchase of land for housing development, regeneration of properties, kick-starting stalled schemes and specialist adaptations to existing properties (not covered under the PAG scheme)

## Local Development Plan (LDP)

The Local Development Plan (LDP) in Denbighshire was adopted in 2015 and there are a large number of sites that have been allocated for housing.

- Planning gain of affordable housing under the current LDP is limited to a minimum of 10% with sites of 3 units or less being exempt from providing any financial or on-site contribution. There is provision in the LDP for this to be reviewed as open market house prices increase to pre-credit crunch levels, however as yet this has not been achieved.

## Registered Social Landlords

- RSL's are also being encouraged to take up other funding sources available to them, such as Housing Finance Grant II, through regular meetings with the Strategic Planning and Housing Team. Strategic priorities for Denbighshire have been identified, taking into account current and future general and specialist housing demand. This ensures that social and affordable housing development in Denbighshire is targeting resources such as Social Housing Grant in the most effective manner.
- A business case has been submitted to Welsh Government for one RSL (Cartrefi Conwy) and another (North Wales Housing) in currently in development, to increase the number of RSL's that are able to work in the county. It is envisaged that by extending the zoning to other development partners, a more competitive atmosphere between development partners to stimulate more social and affordable housing opportunities.



## Marketing Strategy

A marketing strategy for affordable housing is being developed to ensure co-ordinated promotion of new developments, as this will help to create an awareness of the schemes available and provide a more accurate picture of affordable housing need in the county.

## Neighbourhood Strategic Approach

The Council is developing a model area strategy to develop a wider approach to making the best use of our stock. The model will identify areas of greatest need informed by data and how movement can be created within the council's stock to increase mobility and enable housing need to be met.

For example a new build scheme will be seen as the catalyst for existing tenants to move to new, high quality homes whilst allowing for refurbishment or reclassification of other homes in order to create the maximum impact approach to addressing housing need now and in the future.

This approach will also allow the council to ensure best use of the housing stock into the future based on longer term forecasts of housing need to ensure that the stock is fit for purpose, of a suitable property type's and in the areas where housing need is projected. This will involve reclassification, refurbishment and potentially demolition to ensure that the stock can continue to be viable and this approach will deliver an effective and value for money use of stock to meet housing need in addition to increasing the supply through new build.

## Consultation

The council is aware that suspending the right to buy will remove a right available to our tenants. A consultation letter was sent individually to all tenants who have the right to buy within the County. Information was included on the low cost affordable housing schemes for tenants who may aspire to own their own home.

- The Council has consulted with 2,130 tenants who currently have the right to buy. We received 75 responses which is 3% return. 55% of responses were in favour of the suspension.
- Denbighshire Tenants and Residents Federation (DTARF) have been consulted and have confirmed their support for the proposal.
- Our neighbouring councils Conwy and Flintshire have confirmed support for the suspension.
- Denbighshire Citizens Advice Bureau have confirmed support for ending of the Right to Buy.
- The RSL's in Denbighshire have confirmed that they support the Council's application to suspend the right to buy and have asked that their stock be included in the suspension. This will include the associated right for RSL tenants of the Right to Acquire.

## Conclusion

This suspension application has provided a wide of evidence of a housing pressure condition in Denbighshire and covers all social housing within the County.

The loss of approximately 4000 properties from the social housing stock has meant the Council and RSL partners have not been able to adequately meet housing need for social rent homes. This is highlighted in the significant body evidence included in this report.

The Local Housing Market Assessment, Affordable Housing Register and a high ratio of applicants compared to vacancies on the social housing waiting lists are key indicators of this.

Despite the success of affordable housing measures which have brought forward more than 700 homes since 2004 the loss of 4000 properties means a net loss of just under 3300 social homes have been lost from the social housing sector.

The failure of incomes in Denbighshire to recover to pre-2007 levels has worsened the affordability crisis in the owner occupation and the private rented sector. Denbighshire has the unusual characteristic of the private rented sector being larger than the social housing sector and this means there fewer opportunities to access social housing. The decline of incomes has meant fewer people can afford to access the private rented sector with between 31.15 and 53.34% unable to afford this housing option across various areas of Denbighshire.

This situation is exacerbated by Denbighshire containing 14% of areas being classed as being in the top 10 most deprived areas according to the Welsh Index of Multiple Deprivation (2015).

A wide range of affordable housing measures have and are being introduced to increase the supply of but continued sales through right to buy would reduce the impact of this significant investment.

The introduction of new Programme Delivery Manager to deliver this measures and new funding mechanisms will assist to drive forward the affordable housing supply.

The Council has allocated significant investment in the Housing Revenue Account (HRA) to provide new high quality Council homes that will help meet the rising demand for social rent homes and also support key regeneration aims.

The council has a wide ranging Housing Strategy to increase the supply of housing including looking at reclassification and refurbishment of existing stock to maximise the opportunities to meet housing demand in addition to new build council homes. These plans and the significant investment will be at risk if the most popular and in demand homes continue to be lost to sales.