



Notes of the CHC Technical Services Network meeting

Friday 10th February 2017

Media Resource Centre, Llandrindod Wells

Attendance

| Organisation | Name |
|------------------------------------|----------------------------|
| Bron Afon Community Housing | Tom McEwan |
| Cadwyn housing association | Andrew Bateson |
| Cardiff Metropolitan University | Dr John R Littlewood |
| Cartrefi Conwy | David Kelsall |
| Cartrefi Cymunedol Gwynedd | Ian Atkinson |
| Coastal Housing Group | Grant Prosser |
| Coastal Housing Group | Adam West |
| Coastal Housing Group | Gary Morgan |
| Community Housing Cymru | Hugh Russell |
| Community Housing Cymru | Clarissa Corbisiero-Peters |
| Cynon Taf Community Housing Group | Darrel Powell |
| Family Housing Association (Wales) | Gareth Jones |
| First Choice Housing Association | Andrew Mouncher |
| Grwp Cynefin | Wyn Rowlands |
| Grŵp Cynefin | R Bryn Davies |
| Hafod Resources | Tom Harris |
| Merthyr Valleys Homes | Gary Colston |
| Mid Wales Housing Association | Sian Howells |
| Monmouthshire Housing Association | Andrew Knill |
| Monmouthshire Housing Association | Karen Doyle |
| Newport City Homes | Malachy Doyle |
| Newydd Housing Association | Kathryn Morris |
| Pembrokeshire Housing | Nigel Sinnett |
| POBL Group | Elfed Roberts |
| Tai Ceredigion | Colin Downham |
| Valleys to Coast | Paul Sawtell |
| Wales and West Housing | Nikki Cole |
| Wales and West Housing | Gareth Thomas |

Apologies

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|--------------------------------|-----------------|
| Coastal Housing Group | Nick Pugh |
| Hafod Resources | Cadwgan Thomas |
| Linc-Cymru Housing Association | Richard Hallett |



CHC Update – Hugh Russell, CHC

- Procurement Advice: Hugh updated the group on CHC's plans to take on a part-time procurement advisor; survey to follow.
- Planning problems and solutions document: Hugh updated the group on the progress of the planning document to which they had contributed. Final draft awaiting informal input from Welsh Government before submission.

Welsh Government Update – Helga Warren – Welsh Government

- Planning:
 - Helga discussed the need to ascertain costs of overturned planning decisions (where elected members are refusing planning, against advice, then seeing those refusals overturned on appeal).
Action: Hugh to work with WG to establish extent of this issue and costs to the sector/ LAs (N.B. this forms part of the recommendations in the Land and Planning document CHC are drafting).
- Finance:
 - Helga noted that there is a lot of money available for HFG and SHG (as much as they've ever had). WG need to demonstrate that it can be spent and want more schemes presented!
 - WG want LAs to maintain reserve lists – important that HAs have access to PDPs
 - Blending has changed to 60:40, which, with the increase in SHG is helpful for WG. WG very keen that no LA is overlooked. Issue of underspend has previously been with N Wales authorities. However, these are now grasping the nettle – WG meeting LA Chiefs to determine how they can push on.
 - HFG is a set budget, but the other budgets are flexible – so if, say, shared ownership wants extra cash they can send that on from SHG, as long as they get it back. So over the 5 year term, Helga is confident that everyone will get the funding they need.
- Branding:
 - Helga reminded group of need to demonstrate that the WG has funded developments.
- Rent to Own/ Shared Ownership:
 - Big political commitment. Work is underway. First steering group established and have met, including CML, WLGA, CHC, HAs and LAs.
 - Hayley Macnamara has been CHC's rep on this group and has updated via Yammer.
- New Design Homes
 - **Action: Hugh to keep group updated as to the formation of the working group and ensure HAs are appropriately represented.**
- Health, Housing and Social Care
 - £10 m P/A for ICF but this is a totally different set of funding
 - Increasing budget - £5m first year and going up after that
 - Action: Hugh to send update on this group from CHC out with minutes
- Land for Housing (Loans)
 - Scheme in its 3rd year of operation
 - LAs would like access to this funding
 - Process has improved, more funding, fewer restrictions and more take up
 - Form could be improved upon
 - Competitive bidding process
 - Panel assessment – panel includes strategic finance people, estates, VVP.
 - Helga sits on the panel as a critical friend – not scoring but helping panel understand the housing aspects. Lack of understanding of the process at times – good schemes, but the full information is not always represented on the forms. Helga happy to give feedback on unsuccessful bids. Helga is concerned about good bidwriters being successful rather than good schemes. Governance, VFM, work to link in with other policy issues are the key areas where applications are falling down.
- Year End
 - Applications at year end – for the first time, poorly formatted applications are being sent back. Helga stressed the need to follow the guidance sent out by WG. Sanctions being considered.



- Helga has spoken to Debbie as chair of CHC and will be calling Wallis as VC to discuss this
- PAGs
- £8 million per year
- Enable is the way of bringing together all the different aspects of adaptation work
- Doesn't change PAGs
- Monitoring forms and satisfaction surveys out for testing
- WG reviewing fast-track amounts in consultation with sector
- Revised procedures for standard applications
- **Hugh going out to LSVTs for a representative to sit on the group**
- **Hugh going out to LSVTs with a survey about business plans and adaptations**
- Not guaranteeing that the system will change but need to consider the tenant
- Communication
- Helga and colleagues are very keen to spend more time meeting with HAS
- Asking for WG to be invited to sites, to meet with RSL staff at levels other than CEO
- Working across-department at WG is much improved

Cavity Wall Insulation

Open discussion about approaches taken to issues caused by cavity wall insulation

Hugh updated on the Welsh Government's revised approach to data collection on this issue (deadline passed)

Group discussed the issue, which is of some significance: CCG have spent £1.5 million on CWI removal.

Action: Subgroup of Tech Services to be established to discuss problems, share best practice. Hugh to coordinate.

Asset Management

Open session for the group to discuss wider issues around asset management – sharing good practice, concerns and ideas for future network sessions.

Action: Network to provide ideas for future sessions on Asset Management

Key points:

- Asset management should not become a niche, techy issue – feeds into everything from tenancy sustainability to energy efficiency to the health and housing agenda.
- Today's development becomes tomorrow's asset management.
- Need to ensure join-up in the innovative housing agenda
- Cadwyn having a very different conversation about asset management. Previously budgets and WHQS have driven asset management. Now considering how their assets are performing – should they be selling assets? WHQS is driving stock disposal too. Demand has to be considered.

Action: CHC to look into sharing practice on option appraisal modelling – what systems are members using?

Innovative Housing Programme

David Holmes – Senior Development and Standards Manager - Welsh Government

Context: Carl Sargeant, as former minister for environment and rural affairs, has taken up housing with a new set of ideas. Additionally, the Wellbeing of Future Generations Act is being woven through all WG policy. Beyond this, there is the Environment Act (Wales) 2014 and the strive for zero carbon (as of 2018 all WG departments will have a



carbon-reduction budget) with big issues to consider, such as the M4 relief road: from which departments will the carbon reduction be found when that's built?

WG Commissioned the [More:Better](#) report which focusses on non-traditional approaches

http://chcymru.org.uk/uploads/events_attachments/MORE_BETTER_report_FINAL_Ed_Green_revD.pdf

[WG, CHC and WLGA ran an event on 09.02](#) at which there was a soft launch of the new programme: £20m over the next 2 years, with the carrot of future financial extensions being dangled if we meet targets.

No certainty as to which sectors are to be included yet – SMEs, for example.

Steering group to be established to include the sector, for a collaborative approach.

Timescales and Aim: No rules! But Criteria for competitive bids. To include designs and financial proposals to deliver such bids.

Design Themes:

- Homes should be big enough to accommodate people's needs for everyday living
- Formerly prescriptive approach regarding space standards etc. is likely to be turned on its head – inviting suggestions from applicants
- England has a financial viability 'get out' of space standards – WG do not want to go down that route; fairly happy with the space standards that they have been working with.
- Homes should be adaptable to meet changing needs of households – changes in society, demographic, benefit system, need to be considered. Trying to be sufficiently flexible so that if the benefit system changes, the home can be amended.
- Homes should be able to respond to changing climactic conditions – if in 50 years we're living in a Mediterranean climate, our housing stock needs to be sufficiently flexible to enable us to live comfortably in it.
- Homes should be cheap to run and contribute to the reduction of households in fuel poverty
- Homes should be built to minimise use of natural resources
- Homes should be low-carbon both in their construction and throughout their useful life
- Housing developments should be attractive and have character – Cab Sec is interested in the concept of place-making. Amenity value of developments needs to be considered. Environment should be somewhere people want to live.
- Homes should be built efficiently and quickly using most appropriate method of construction. Farmer Review notes that the decline in construction skills is extreme. Recommendation 8 is that Government overcome this by providing 'initiation stimulation' for MMC/ OSM.
- Homes should be built in the right place and provide safe neighbourhoods. Access to healthcare, schools, etc. is critical. The Metro system will offer new possibilities for residential development sites.

Q&A:

- Skills gaps: construction skills; also consultants (engineers, ecologists, etc.). Procurement of specialist consultants and the expectations we put on them is an issue that WG are aware needs to be addressed.
- HCA has a core group of specialist consultants (free!) – can WG provide this? DH has started looking at a specialist framework. Steering group to discuss how WG can provide support. Homes and Places ran workshops in 2015 – session on how to raise the bar in design revealed a lack of knowledge and best practice being shared



- Money for house types? Or for deliverability? You as an applicant would have to demonstrate which criteria of outcome framework you're meeting.
- Level of detail required to make the bid not determined yet.
- When does this kick in? Later than April 2017. £10m to be spent this year, £10 next.
- EOIs to be invited as soon as possible.
- On skill gap – OSM is not the answer. But WG have opportunity to test labour in that environment and then develop beyond that. Great opportunity to kickstart careers through this programme.
- OSM needs big, continual orders. This is going to take some serious collaborative working.
- Accord OSM factory at Walsall – providing whole package from architecture to delivery – franchised operation and they'll set up elsewhere in the UK.
- Residents: whatever we do we need our residents to be at the heart of it. They can provide the most information to inform progress. Does the More: Better report take into consideration the experience of residents?
- Lack of understanding of fuel poverty – not about SAPs and APC – put humans in a house and its efficiency is inevitably effected.
- Tenants skills need to be utilised
- WG need to require successful bidders to analyse the use of their buildings – this approach needs to be mainstreamed.
- N.B. Helga noted that members should collaborate to improve bids! It will be a competitive process, open to many and the sector will need to maximise its strengths to
- **Action: Hugh to set up a Yammer Thread to share updates and ideas on innovative housing – providers, news from Welsh Government etc.**

Stephen Haigh – Your Housing Group - CEO of Live Verde

Your Housing Group has announced a historic joint venture deal with Welink group, which will see 1,000s of homes built across the UK through an initial investment whilst accessing China National Building Material company's technology, financial support and leverage for additional investment in the UK.

Background reading: <http://bit.ly/2kpm3jp> <http://bit.ly/2hYo3kf> <http://bit.ly/2kx70Xt>

- YHG: £1.2 billion. 42% gearing. Gave an opportunity to scale up considerably.
- Stephen's experience of working in Europe was entirely OSM
- Long term project to refinance existing debt in order to build capacity to build more homes.
- Stephen met with L&G, their competitor now, to research and to leverage in funding.
- Teamed up with UKTI to consider foreign investment.
- Working with Barcelona Housing Systems (steel framed, panel based housing using MMC), WeLink (Energy Experts with Chinese state backing), CNBM (Chinese National Building Materials).
- Live Verde will be sourcing all their materials locally.
- They're looking to collaborate with Government
- Build to rent product is taking off in England – possible market for Live Verde.
- Scaleability is the purpose here – enables the costs to be driven down and works without grant (in England).
- Industrialisation of housing supply is the only way Stephen sees to solve the housing shortage.
- CNBM see this as a global product. Welink delivering 4,000 affordable homes in Chicago, 15,000 in Texas. China has a 1 million home supply shortage but lack the expertise to deliver for themselves. Their aim is to develop expertise here and then apply it in China.



- The Deal: CNBM will support construction of factories or buy existing ones. China also providing the construction debt. YHG source the joint venture opportunities; work land through to planning permission. Following this, build ready land is transferred into the JV and China build the housing.
- 10-15% is land cost – provided by YHG – the Chinese provide the rest.
- Urban solutions based on Barcelona’s grid system (each block works as an independent community, with community facilities)
- L&G build 2 storey homes, with one floor on each lorry. Each house takes 2 lorries. Positively, this means everything is factory made. Less positively, ‘you’re shipping a lot of air’. Barcelona Housing Systems considered efficient, panel based transport first, then what they could build from these panels.
- LV are proposing 100% off grid properties, eventually. 75% now and 95% within 5 years.
- Labour shortages – at full capacity, each factory should have 200-250 semi skilled operatives per shift, producing 4,000 units per year, 750 jobs per factory.
- YHG linking with foyers – linking with colleges to build skills.
- No footprint after demolition.
- Homes designed to have a useful life of 50+ years.
- Has to work in Welsh conditions (wind driven rain!). This stuff works in seismic conditions and under greater stress than Welsh Weather – Stephen not worried!
- In process of designing UK housing range.
- They are mortgageable – accreditation via BOPAS
- Factory viability – order of 2.5k homes needed to make factory establishment viable - Live Verde need a scale commitment from LAs and are working on this in Swansea.
- £400 per square metre has been quoted based on volume
- Factory being fitted out in Gloucester
- Range of delivery is c.50-70 miles
- There is an order book – no architects
- Stephen anticipates volume house builders taking this up. [See Tony Pidgely’s announcement of a factory.](#)
- Warrington Council bidding for a 24K home garden city; doing all of that through Live Verde
- Negotiating with Tesla for battery technology
- External services – screwpile foundation needs accreditation.
- Equity retained by Live Verde. YHG provide 15%, China put in the rest, the product is then refinanced and they retain stake. 15% equity is retained by the landlord, but for this you get half a house. Only way to overcome the on-lending issue is to refinance...
- Debt comes from China, once built, debt is refinanced (China paid off) and debt paid into JV, held by YHG.
- Benefit is that it increases housing supply.
- Environmental performance: what level of thermal dynamic modelling has been done for current and future performance? **Separate presentation to be shared.**



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| Network name | Tech Services Network |
| Network date | 10.02.17 |
| CHC staff member | Hugh |
| <p>PEOPLE, SERVICES AND COMMUNITY:</p> <ul style="list-style-type: none"> - Who will we house? - What services will we provide to our residents? - What is our offer to the community in which we operate? | <ul style="list-style-type: none"> • People will access housing where they want, regardless of geography • The quality of the PRS will have improved, though CHC members will always offer a better service than straight-PRS landlords. • CHC members will diversify further, offering a mix of housing supply options (inc. PRS). We will offer a breadth of homes, from entry –level properties to executive-level housing. • Despite the broader offer of housing types, we’ll still offer housing to those in need (and welfare reform will mean that there remains a demand from the poorest in society). • Services will be offered/ expected in digital format. • Smartphone technology will be relied upon to an even greater, ubiquitous extent • Overheating is a key technical issue, due to climate change. Will we be retrofitting cooling systems? We will see more automated home heating and cooling systems. • The stock the sector offers in 20 years will be really energy efficient • We will do more to involve tenants in the delivery of their services – adopting co-op models will become the norm • Increasingly we will deliver services via social enterprises, as part of this co-op model, with the community more involved in the delivery of the services they access. <p>There was a debate about future service provision :</p> <ul style="list-style-type: none"> • All agreed that there will experience a significant decline in the range of services provided by LAs. There will thus be an increased expectation on HAs to provide services in their stead, such as pest control, flytipping response, etc. • Some felt that HAs will not shirk this additional responsibility because their tenants’ expectations are continuing to rise and stated that: If we want to continue to provide homes that people want to live in then we need to accept that we need to provide wider community investment too. That needs to include a continued commitment to ‘soft’ investment (e.g. employability skills training – not just maintaining verges). • Others felt that there will come a point where we have to manage tenant expectation. • In particular, it was felt that we can’t keep passing on costs to residents that benefit the wider community. • By contrast, unspecified international examples were proffered in which social landlords offer wider community benefits as standard. • It was suggested that by 2026 we will have invested in behavioural and cultural change within our communities to the point that flytipping, for instance, will be vastly reduced. |
| <p>WORKFORCE AND LEADERSHIP:</p> <ul style="list-style-type: none"> - What will the workforce look like and what skills will they need? - What will the leadership team look and behave like? | <ul style="list-style-type: none"> • Greater diversity of skills needed by core staff, particularly if we take on the breadth of services offered by LAs currently • The move toward a remote workforce will continue and the need for geographically static working locations will diminish. • We will employ an ‘Uber Model’ – demand driven services provided using technology as interface between user and provider. |



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| <p>STATE:</p> <ul style="list-style-type: none">- What will our relationship be like to the state (local and national government)? | <ul style="list-style-type: none">• Barriers between LAs will break down – even if LA reform doesn't mean a reduction in number of LAs we'll see greater sharing of services between neighbouring authorities. |
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