

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CABINET

31ST JULY, 2014

REPORT OF THE GROUP DIRECTOR OF ENVIRONMENTAL SERVICES

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Housing and Health Action Areas 'Providing a team around the Community'

1. PURPOSE OF THE REPORT

- 1.1 Within the Prosperity priority of the Single Integrated Plan, the following objective is identified under the 'Homes and Communities' theme:

'[We are going to] work together with communities to deliver housing and community regeneration action; including the re-occupation of empty properties in targeted areas and developing public spaces that are safe, attractive and encourage social interaction and community cohesion.'

- 1.2 The purpose of this report is to provide information on the intended approach to deliver this objective and to seek support for the implementation of 'Housing and Health Action Areas' in targeted communities over the next three to five years.

2. RECOMMENDATIONS

- 2.1 It is recommended that the Cabinet:
- i. Approve housing and health action areas as the delivery mechanism for the objective relating to housing and community regeneration contained in the Single Integrated Plan.
 - ii. Support the areas identified in this report as the ones that will be the focus for the Housing and Health Action Areas as part of an agreed programme of housing improvements and health interventions over the next 3 to 5 years.
 - iii. Agree that the Council's Housing Strategy and Standards Team will provide the project management for the Housing and Health Action areas through agreed action plans and that these will be delivered in partnership with key stakeholders such as the Local Health Board, housing associations, private landlords and other external organisations depending on the action required.

- iv. Support the recommended approach of undertaking stock condition surveys utilising existing Council resources in the identified areas to establish a baseline and identify housing improvements required which will form the basis for the individual area action plans.

3. BACKGROUND

- 3.1 Over the last 20 years, local authorities have used their powers under the Local Government and Housing Act 1989, sections 89 and 90 to enable housing improvements in communities. The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 repealed much of the previous prescriptive legislation governing the provision of the housing renewal grants, replacing it with a more flexible and wide-ranging power to provide assistance for housing improvements. It also relaxed the criteria relating to Renewal Areas. The Order provides local authorities with a much greater degree of flexibility in terms of dealing with poor housing, poverty, social exclusion, health inequalities and neighbourhood decline. It enables local authorities to give assistance to persons directly or to provide assistance through a third party or other special purpose vehicle.
- 3.2 With its greater flexibility, the Order has given local authorities clearer opportunities to develop approaches to suit local needs, for example assisting people in more deprived areas such as those designated as Communities First areas, or tackling conditions where there are issues relating to the concentration of private rented property or empty properties. The statutory requirement is that housing assistance must be in accordance with a local authority's published Housing Renewal Policy.
- 3.3 Three Communities in Rhondda Cynon Taf have benefited from formal Renewal Area declarations and lessons have been learnt from the approach taken and the outcomes achieved. The Renewal Areas in Rhondda Cynon Taf were Treherbert/Tynwydd and Penrhiwceiber. These schemes came to an end after 10 years in 2012 and 2013 respectively.
- 3.4 Going forward, there are significant challenges relating to the direct funding of renewal areas. From 2014, Welsh Government funding for Renewal areas will be included under the Welsh Government's 'Vibrant and Viable Places' Regeneration Framework overall regeneration budget, rather than as a separate investment stream. This will require local authorities to be more creative and innovative in how they source and use available funding for future housing led regeneration schemes.

4 RATIONALE FOR HOUSING AND HEALTH ACTION AREAS

- 4.1 The end of the formal renewal area designations in RCT and the changes in funding available provide an opportunity to reconsider and refocus the Council's approach to housing renewal in the context of the Single Integrated Plan. The Housing and Health Action Areas will not be 'Renewal areas' as defined by the Local Government and Housing Act 1989 and as previously declared in the borough; rather their delivery enables a targeted and focused approach to the improvement of housing in identified communities with the aim of reducing hazards, improving the visual

amenity of properties and therefore having a positive impact on the health and well being of residents, regardless of tenure.

- 4.2 Housing and health are fundamentally linked and interventions in one area impact upon the other i.e removing hazards from within a home or helping a household out of fuel poverty can impact upon residents suffering from asthma or other respiratory illnesses as well as improved well being. This has been acknowledged by Shelter Cymru in a recent report where they state 'Poor quality housing leads to ill health and accidents in the home costs the NHS around £67 million a year in treatment costs alone...'. (*The Cost of Poor Housing in Wales*, Shelter Cymru (2011)).
- 4.3 The Welsh Government's Regeneration Framework promotes the need for an 'all service' approach to regeneration and this is the principle on which the Housing and Health Action Areas will be based. A 'team around the community' approach is advocated with all relevant services and organisations targeting their resources to the identified areas for the agreed period of time and to deliver the agreed objectives.
- 4.4 The Council's Private Sector Renewal Policy was approved in January 2014 and the delivery of Housing and Health Action Areas is in accordance with this Policy. As the Housing and Health Action areas are not renewal areas, they do not require a formal process of approval and declaration.

5. METHODOLOGY APPLIED TO IDENTIFY INITIAL AREAS FOR CONSIDERATION

- 5.1 The list of potential Housing and Health Action Areas has been identified using a methodology that is based on the guidance for Neighbourhood Renewal Assessments contained in National Assembly for Wales Housing Renewal Circular 20/02 (Appendix 1). The methodology was developed by a task and finish group of Council officers from Housing Strategy, Regeneration and Private Sector Renewal and representatives of the Local Health Board. The process included applying a criteria and weighting to the Lower Super Output Areas (LSOAs) in the borough to identify those that would most benefit from the Housing and Health Action area approach and where more opportunities would exist to lever in external funding.
- 5.2 The application of the initial stages of the methodology has produced a list of 10 LSOAs in rank order according to the information analysed and criteria applied. The list is attached at Appendix 2. It is proposed that the 3 areas with the most points are considered in the first instance to be the focus for the Housing and Health Action Areas. Namely, Tylorstown 1 and 3, Penrhiwceiber 1 and Cwm Clydach 1. Maps identifying the boundaries for these areas provided in Appendix 3.
- 5.3 During the next stage of the methodology, it is proposed to undertake more detailed survey work in these 3 areas. This will help to identify the housing requirements and cost implications for each area and enable a 3-5 year costed plan to be established.

6. TYPES OF HOUSING ACTION THAT COULD BE DELIVERED IN AREAS IDENTIFIED

6.1 Levering in Eco Funding

A domestic energy improvement scheme would be delivered in the Housing and Health Action areas by partnering with an Energy Supplier, Company or an Agent to lever in external funding via Energy Companies from their 'Energy Company Obligation' commitment. There are 3 elements of the Obligation which provide potential funding opportunities aimed at 1) Affordable Warmth - households in receipt of certain benefits 2) CSCO- Carbon Saving Community Obligation - the top 20% of income deprived areas according to the WIMD and 3) CRO- Carbon Reduction Obligation - hard to treat properties (including system built homes, solid walled properties and hard to treat cavity wall properties). Funding rates varies between energy companies and between the three different elements of the Obligation.

The selected partner will manage the scheme and funding from the Council's Housing Capital programme may be used to cover shortfalls in certain energy measures and/or any necessary enabling works to allow measures to be provided free of charge to householders, maximising take up rates. Rates will be secured via any necessary procurement process and agreed before commencement with any ceiling rates being applied as necessary.

6.2 Targeted Grants

Private Sector Housing Grants available through the Council's Policy for 'Private Sector Housing Renewal 2014' will be prioritised to the Housing and Health Action areas where the Council deems such assistance is appropriate to meet the needs of and objectives identified for those areas. Any of the grants available under the policy can be prioritised in these areas at the discretion of the Council.

Some areas will be targeted due to poorer property standards with a view of removing serious (Category 1) hazards inside the house and the risks associated to the occupier's health and safety, whilst other areas may require intervention due to high numbers of empty properties.

6.3 Targeted Housing Enforcement and Selective Licensing

If stock condition surveys undertaken in the Housing and Health Action areas identify hazards in private rented accommodation, the Council will undertake proactive housing inspections and enforcement action in relation to these properties. This enforcement action will form part of a balanced approach to enforcement based on advice, education and support to landlords, with formal action being taken in appropriate circumstances.

Part 3 of the Housing Act 2004 gives Councils the power to introduce a Selective Licensing Scheme. It is a discretionary scheme that empowers local authorities to license all privately rented properties in an area. In Wales, Selective Licensing can

be introduced in areas where there is low demand for housing; high levels of anti-social behaviour; areas where more than 25% of houses are privately rented; areas located within a declared renewal area, or a combination of the above. Each Housing and Health Action Area will be considered to determine if Selective Licensing is the effective way of dealing with issues identified. It would only be an option if the Council was able to demonstrate that the current management and standards in the privately rented properties of that area was so poor that licensing was the only way to secure improvements. It is also subject to a consultation period and legal process before such a scheme could be implemented.

6.4 **Property Accreditation**

In areas where Selective Licensing is not deemed to be an appropriate intervention, the Council could implement a Property Accreditation Scheme for private rented sector homes. This would involve landlords signing up on a voluntary basis to a Code of Standard to demonstrate that the properties they rent out are to such a standard that they are recognised as reputable landlords and agents. Accreditation status would last for five years and landlords would be given Accreditation Certificate to display in the property. A proportion of all properties would be routinely inspected to ensure that the standard is met. This type of scheme would effectively allow the market to look after itself with the aim that poor landlords would be driven out of an area as prospective tenants can use the rating of a property to make an informed choice about which properties are of a good standard and which are not.

6.5 **Re-balancing of tenure**

Areas where there is a predominance of rented accommodation may experience more issues in relation to anti-social behaviour, low demand and poor house condition due to the more transient nature of the population. In order to reverse this process and make places more attractive, it might be helpful to devise strategies that introduce a variety of household and economic mix similar to that in more popular neighbouring communities. This could include offering empty social rented properties for sale through the Council's low cost homeownership scheme or promoting Homebuy type schemes in certain areas to encourage more owner occupation in an area.

7. **OTHER TYPES OF INTERVENTIONS**

7.1 The Housing interventions outlined above will be supported by a wide range of other interventions delivered in partnership with community stakeholders and other agencies. The development of community based options for action will be determined by the area and examples of interventions to be considered include:

- Community Cohesion Projects such as good neighbour schemes, youth engagement, intergenerational projects.
- Improvements to Street scene, for example cleansing projects, boundary wall repairs, disused land improvements, promotion of community led schemes such as "hanging baskets for homes"

- Implementation of Health promotion schemes to reduce smoking, improve mental health, and promote healthy eating.
- Crime prevention and community safety initiatives.
- Signposting to Financial Inclusion and Money Management skills through Credit Unions and other partners, including the Council's Home Energy Advice service.
- Specific Health Protection projects around chronic conditions such as asthma.

8. **FUNDING**

8.1 The Action Areas will be funded by a combination of the Council's Housing Capital programme, private sector funding, commuted sums, leveraging in external energy efficiency funding and through the targeting of existing health and housing related resources. Some properties may benefit from a combination of interventions and funding streams.

8.2 **Housing Capital Programme**

Until baseline stock condition surveys are undertaken, it is not possible to provide a fully costed Action Plan for any of the areas. However, it is envisaged that on average £1000 per property would be required from the Housing Capital Programme in the identified areas up to a maximum of £200,000 per annum. Working on this basis, it is estimated that 200 properties per year could be included in the plan.

If properties included in these areas are already on the Council's list and earmarked for a grant, these will be brought forward and prioritised in order to maximise the funding available for each area as outlined in 6.2 above.

8.3 **Commuted Sums and Capital Receipts**

The Council currently has £255,379 that has been received from private developments or recycled capital receipts from the sale of affordable housing that can be targeted to these areas. The use of commuted sums in this way is in line with the Affordable Housing Supplementary Planning Guidance.

8.4 **Eco Funding**

The Council will need to tender for an energy provider to deliver ECO scheme in the areas, for example British Gas, EON or SSE. The Council will look for the best deal that will result in the most measures being delivered and where possible fully funded to minimise the cost to the Council and also to ensure maximum take up rates from households.

8.5 **Selective Licensing**

If the Council was to decide that Selective Licensing is an appropriate intervention for improving the private rented stock in any area, this would be a self financing scheme, funded through the licence fee.

9. IMPACT ON HOUSING INTERVENTIONS IN AREAS THAT ARE NOT HOUSING AND HEALTH ACTION AREAS

- 9.1 The areas that are recommended for Health and Housing Action Areas are those that currently have a significant impact on front line service delivery due to the condition of the stock and poor community sustainability. Proactively targeting these areas is therefore likely to release capacity in front line housing services to allow a continued level of service delivery in the rest of the borough. All housing services and products will still be available at the same level as currently for all other parts of the borough. The Housing and Health Action area in Penrhiwceiber would complement the investment in the area provided by Neighbourhood Renewal Area that has recently come to an end.

10. ROLES AND RESPONSIBILITIES

- 10.1 The Council's Housing Strategy and Standards Team will provide project management for the Housing and Health Action areas. However, if other services and organisations commit to directing resources towards the areas for the agreed period of time through the delivery of agreed action plans, outcomes could be maximised. The Voluntary Sector will have an important role to play in the successful delivery of the Housing and Health Action areas and act as important 'gateways' to communities to ensure their 'buy in' and support.

11. OUTCOMES AND BENEFITS OF APPROACH

- 11.1 The Housing and Health Action areas will contribute positively to many of the measures of success identified in Rhondda Cynon Taf's Single Integrated Plan. Following Housing and Health Action Area intervention it is envisaged that areas will benefit from safer and healthier living conditions, a more sustainable local housing market, lower turnover rates, higher resident satisfaction and health and well being, improved housing demand, reduced stigmatisation and improved household mix.
- 11.2 In particular the targeted interventions in these areas could contribute specifically towards the following measures that are contained in the Prosperity Section of the Plan:
- Number of houses per annum where an excess cold hazard was reduced to an acceptable level
 - Number of empty properties in the County Borough.
 - Number of housing units (affordable and market) developed annually.
 - Percentage (%) of respondents satisfied with the cleanliness of their community
 - Percentage (%) of respondents who strongly agree / agree to statements about their local area, such as "I can influence decisions affecting my local area"; "My local area is a place where people from different backgrounds can live together harmoniously"; "I feel part of the community"; and "My local area has a strong sense of community."
- 11.3 Resident Surveys and Health Impact Assessments will be undertaken before implementation of the targeted action to establish a baseline for the agreed outcome

measures and at the end of the Housing and Health Action area to measure the difference that the approach has made to the community.

12. IMPLEMENTATION PLAN AND NEXT STEPS

- 12.1 A sample of housing stock condition surveys will be undertaken by officers from the Private Sector Housing Unit and Environmental Health Officers from the Housing Strategy and Standards Team.
- 12.2 The Housing Health and Safety Rating System (HHSRS) is a risk assessment tool used to assess potential risks to the health and safety of occupants in residential properties in England and Wales. This system will be used as a basis for the stock condition surveys. Health and safety hazards within the houses will be looked at as part of the survey including fire safety risk, excess cold problems and the presences of significant damp and mould.
- 12.3 In addition to stock condition surveys, street surveys within the LSOA boundaries will also be undertaken to identify other types of work that may be required, for example in relation to essential external repairs to houses, improvements to fencing, boundary walls and paths, and problem empty properties.
- 12.4 Detailed Action Plans will then be developed for each area following the methodology attached at Appendix 1 and with direct input from all partners and stakeholders.
- 12.5 It is proposed to start work in the first area in 2014-15. Depending on officer capacity and the scale of issues and opportunities in other areas, it may be possible to deliver some action plans, or aspects of action plans concurrently. It is envisaged that the timescale for delivery of Action Plans for each areas will be a maximum of 3 years. Some projects could also be delivered in one or more of the remaining 7 areas.

13. CONCLUSION

- 13.1 The delivery of Housing and Health Action Areas in Rhondda Cynon Taf represents an opportunity to make a tangible difference in the communities that have been identified as those that would benefit the most from targeted housing improvements and health interventions.
- 13.2 The challenging financial situation facing local authorities, health services and other partner organisations requires a co-ordinated and innovative use of available funding streams and resources in order to deliver outcomes for our most deprived communities.
- 13.3 By providing a 'team around the community', this approach will deliver the aims and objectives identified in the Single Integrated Plan and contribute towards improving the prosperity of the borough as a whole.

Appendix 1

Methodology for determining 'Housing and Health Action Areas' in Rhondda Cynon Taff

Introduction

A strategic approach to the regeneration of an area can be an effective method of securing improvements in housing, social and environmental factors and the health of residents. To achieve holistic improvements, it is therefore necessary to consider the wide context of issues that influence a neighbourhood. At a strategic level, such evidence will include an understanding of the housing market, health data, deprivation levels and economic factors such as employment. Stakeholder views and housing conditions and detailed area information are crucial at a local level.

Over the past 20 years, Local Authorities have used Renewal Areas as an effective mechanism to implement housing improvements. Three Communities in Rhondda Cynon Taff have benefited from Renewal Area investment in that time and significant lessons have been learnt from the approach taken and the outcomes achieved. Renewal Areas and other strategic housing improvement schemes can achieve much wider improvements in an area and the evidence from the Review of Renewal Areas commissioned by the Welsh Government in 2010 supports this. It is therefore necessary to ensure that evidence from a range of sources is used to inform decisions on housing led interventions, to achieve the best and most appropriate outcomes for an area.

In order to identify areas of the County Borough that may benefit from housing led interventions, it is proposed to undertake a structured review of existing evidence on housing markets, deprivation, health and community cohesion to identify specific neighbourhoods and communities that may be suitable for targeted housing led investment. The use of existing evidence will ensure that any action taken supports the wider strategic aspirations for our communities and that those benefits are maximised not only in terms of housing improvements but also from health benefits, employment opportunities and community safety.

This paper outlines how the principles of Neighbourhood Renewal Assessment could be used in Rhondda Cynon Taff as a framework to inform the strategic review of existing evidence to identify communities that would benefit from a holistic approach to housing led regeneration through Housing and Health Action Areas. In order to maximise the benefits that can be achieved and realistically delivered, the aim is to identify small areas for regeneration that include up to 300 houses and deliver the action plans developed for that area over a time scale of 3-5 years.

Assessment of Areas for Action

The Regulatory Reform Order (Housing Assistance) 2002 provides authorities with a general power to provide assistance for housing renewal in accordance with a published renewal policy. The Order amended the requirements for renewal area declarations set out in the Local Government and Housing Act 1989 (the Act) giving local authorities greater flexibility in determining those areas that would benefit from Renewal Area action. There are significant changes to the funding available for renewal areas following the reduction in grant funding from the Welsh Government. In addition, reducing local authority capital budgets are having an impact on discretionary housing renovation grants. Local authorities continue to have significant financial discretion in how to use allocated capital finance including its use to support strategic housing investment programmes.

The Neighbourhood Renewal Assessment (NRA) methodology is an accepted approach to aid local authorities in making a decision about whether the declaration of a Renewal Area is the most satisfactory course of action for an area. This methodology also has benefits when used to decide whether to undertake any strategic housing improvement schemes and it is for this reason that the NRA guidance has been updated for use in Rhondda Cynon Taf in determining areas for targeting through Housing and Health Action Areas. The NRA process is not a prescriptive technique rather it is a means of systematically assessing an area using a series of logical steps that enable a range of alternative options for the renewal and regeneration of an area to be appraised.

Understanding the wider context will be the main focus of the NRA of Rhondda Cynon Taf in order to ensure that the outcomes delivered in Housing and Health Action Areas help achieve broader, strategic aspirations for the County Borough and specific communities. Although the process is cross cutting, as the key outcome is the delivery of a housing led intervention, the process will be led by the Housing Strategy and Standards Team of the Council.

Methodology for Assessment of Rhondda Cynon Taf

Step 1: Understanding the Wider Context

The assessment of areas suitable for housing led action will be undertaken within the context of delivering the wider strategic aspirations for our County Borough. Area based housing led interventions can contribute to the delivery of outcomes identified in the Single Integrated Plan, particularly under the Prosperity Theme, and the Local Service Board Priorities.

A key priority for Rhondda Cynon Taf as outlined in “Delivering Change- A Single Integrated Plan for Rhondda Cynon Taf 2013” states that our residents should have access to suitable, affordable housing and that housing conditions in our communities will promote safety, health and well being. Identifying those areas that will benefit greatest from housing led interventions will enable us to tackle inequalities between our communities and make a significant impact on delivering the key aspirations for our County.

At the end of Step 1, we will:

- Understand the key messages and aspirations of our high level, strategic plans. This will require a review of the core improvement themes of the Single Integrated Plan and the specific delivery plans for the Prosperity, Health and Safety Themes. We will need to understand the impact that delivering these wider aspirations will have on different parts of our County and our communities.
- Understand supply and demand factors in our housing market through a robust Local Housing Market assessment to identify areas of unmet need and housing challenge that would benefit from intervention.
- Analyse the evidence and information about our communities' demography and health to identify those parts of the County that may benefit most from housing led regeneration that compliments other strategic priorities.
- Ensure that the analysis method used recognises that the data for smaller areas may not be comparable with that for larger areas and the results will be managed to avoid any bias caused by these differences.
- Produce the data on a map of the County to enable us to identify those areas that are in greatest need in terms of housing demand and conditions, health problems and other factors and that have opportunities in the medium term for improvement from economic and other investment.

Step 2: Deciding an area approach and identifying the neighbourhood

Following the broad appraisal of our County, it will be necessary to analyse in more detail the specific needs of those communities (at lower super output level) that are identified as likely to benefit most from housing led regeneration. This stage in the assessment process will require more neighbourhood specific information be considered and included in the mapping exercise.

At the end of Step 2, we will:

- Have a clear indication of how area specific information such as housing tenure data, deprivation levels and community safety statistics such as crime levels relate to the shortlist of areas identified by Step 1.
- The needs data and opportunity information that characterise of the shortlisted areas will be ranked and scored according to the matrix in Appendix A. Based on the existing data and evidence, identify the **five** neighbourhoods in the County that may benefit most from targeted housing led investment.
- Determine the additional information that we need to gather in order to make a final decision on the areas for selection.
- Understand if an area approach is likely to be appropriate for the five areas identified or if other types of intervention would be more appropriate.
- Seek Cabinet Member for Housing and Local Service Board support for detailed assessment of the shortlisted areas and further action plan development.

Subject to Approval

Step 3: Information Gathering

The initial stages of the assessment process will be undertaken using reliable, high level data. At later stages in the process however, it will be necessary to ensure that any gaps in our understanding of the issues within a potential Housing and Health Action area are filled. This will necessitate the collection of new and specific data sets relating to local house conditions, community consultation and commercial opportunities.

At the end of Step 3, we will:

- Use the strategic maps of existing information produced at Step 1 and the decision making criteria to identify the gaps in our knowledge about each area. Gaps may relate to local health, social and education data. What aspects of the areas do we need to get a better understanding of before a decision can be made on undertaking housing area actions? Are we clear about the benefits housing regeneration will bring to the area and how these will achieve an improvement to the wider determinants of health for the neighbourhood?
- Assimilate specific house condition data about using in-house expertise and resources to enable us to refine the regeneration strategy and plan the financial investment required for each area. This information will act as the bench mark against which the housing improvements gained can be measured.
- Understand the specific housing markets that influence each area and how local housing need, affordable housing and empty property issues can be addressed in each area. This information will help us understand the impact of the housing action when we evaluate the intervention.
- Identify the **three** final areas for further action plan development and stakeholder and partner engagement.

Step 4: Selecting the team and stakeholder involvement

The success of any area action will depend on the involvement and engagement with key partners and stakeholders for the community. The commitment of those partners to using their own skills and resources to compliment and assist in achieving successful housing initiatives is particularly important. The identification of key partnership members for the core team is essential early on in the assessment process.

At the end of Step 4, we will:

- Identify the core partnership team for the three areas being considered. This will include the voluntary sector, social and private landlords, relevant council department, health board partners and the police. Each stakeholder group will be led by the same Council Officer to ensure continuity and consistency of process.
- Identify the relevant stakeholders and community representatives for each area being considered. This may include tenant and resident groups, local businesses and schools, community organisations.

- Prepare communication and engagement strategy that will ensure all relevant parties to the process, in particular residents and the community, have an opportunity to be included in the assessment and decision making process.
- Consult directly with the residents about their neighbourhood and their aspirations for their communities and their families.

Step 5: Setting aims, defining objectives and drawing the boundary

It is vital that the interventions planned have clear, measurable and deliverable aims and objectives. Clarity of purpose will ensure that the housing interventions deliver not only better housing but the additional benefits of community regeneration and health or well being improvements.

At the end of Step 5, we will:

- Have provisional agreement from stakeholders on a set of clear aims and objectives for each potential area, and those agreements will be based on specific, measurable, achievable, realistic and tangible outcomes (SMART).
- Identify the provisional boundary of each housing action area, having due regard to the natural communities and neighbourhoods that exist and their aspirations. Each area identified will include up to a maximum of 300 houses (equal to a LSOA).
- Establish the robust decision making criteria against which to evaluate the feasibility of each area as a housing regeneration area. This will ensure a transparent decision making process is established prior to the collection and analysis of further area specific information and option generation. A decision matrix will be developed to ensure appropriate emphasis is given to key investment and other opportunities that will facilitate greater benefits for the community targeted.

Step 6: Option generation and option selection

The evaluation and analysis of evidence and data relating to the three areas under examination will enable us to identify all ways of dealing with problems and to generate options in accordance with the stated aims, objectives and boundaries of the NRA.

At the end of Step 6, we will:

- Have a draft action plan for each area that will identify the issues to be tackled and the options that are available to the Council, our partners and stakeholders and the wider community to address these. The plans will cover housing interventions in particular, such as projects to improve conditions, tenure options and ways to improve the market. Other options may be environmental, transport, health and employment opportunities that are either planned or could be implemented as part of the wider housing regeneration strategy for the area.
- Undertake a feasibility appraisal of each action plan to evaluate the proposals against the Decision Making criteria set out in Step 5 and the Aims and Objectives identified for each potential area.
- Undertake a financial study to identify the projected costs of each plan, the sources of finance available (internal and external) and the implications for the long term funding of the scheme. The time required to deliver the aims of the scheme for each area will need to be defined. Particular attention will need to be given to the Welsh Government funding

arrangements for renewal areas and the availability of loans for home owners to fund improvements.

- Prepare a report for the Cabinet Member for Social Justice on which of the action plans and regeneration areas are viable in terms of the cost benefits and an evaluation against the decision making matrix with a recommendation for which area should be selected as the first housing led regeneration scheme and therefore need to be explored in more detail in Step 7.

Step 7: Option development appraisal and selection of preferred package

The assessment process will move to develop the detailed options identified in Step 6 and prepare a final package of strategies for achieving the aims and objectives for the area.

At the end of Step 7, we will:

- Prepare option packages centred around housing, economic, health and environmental themes
- Check all options against themes for consistency and compatibility between the packages and the wider strategic plans in place for the area.
- Identify the financial implications and cost for all options and the plans will be developed in terms of budget, location and planning of specific regeneration projects and housing improvement schemes.
- Verify the options with delivery partners to ensure they are scrutinised and agreed before the final decision on the scheme is made in Step 8.
- Prepare an implementation strategy for the scheme via the project team.

Step 8: Monitoring and evaluation

The achievements of the Housing and Health Action Areas will need to be monitored throughout the scheme to ensure the aims and objectives for the area are achieved and that the specific outputs and outcomes identified in the themed action plans are delivered.

At the end of Step 8, we will:

- Set up appropriate systems to monitor the delivery of the agreed action plan and the achievement of the stated aims and objectives.
- Develop monitoring processes appropriate to each aspect of the scheme and determine how it will be managed.
- Implement a regular evaluation approach at key stages in the scheme and update action plans as required to ensure scheme remains on target.

Appendix A - Area Prioritisation Matrix

Stage 1: Initial Identification of 5 Priority areas

Criteria	Score	Rationale
% of Empty Properties	10, 8, 6, 4, 2	Identifies 5 areas that have the most empty properties
Welsh Index of Multiple Deprivation	10, 8, 6, 4, 2	Identifies 5 most deprived areas in RCT and includes all socio-economic factors

This will produce a list of a maximum of 10 areas.

Stage 2: Strategic Issues and Opportunities

The list will then be assessed against a further criteria as follows:

Criteria	Score	Rationale
If number of PRS properties is above average for RCT	10	Tenure imbalance likely in area and potentially stock condition issues
If number of Social Rent properties is above average for RCT	10	Opportunity to work in partnership with Housing Associations to deliver projects and lever in funding
ECO area	10	Opportunity to lever in external funding and improve properties using energy funding
Communities First area	10	Opportunity to work with Communities to deliver priorities

Stage 3: List of Priority Areas produced

The top 5 areas will be considered for Housing and Health Action areas and an action plan and timescale for delivery will be developed for each area. Depending on scale of issues in areas, team capacity and opportunities in areas it may be possible to deliver some action plans, or aspects of action plans concurrently. Some projects could also be delivered in areas that do not feature in the top 5, but score highly in the matrix.

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Appendix 2: Areas identified following application of methodology

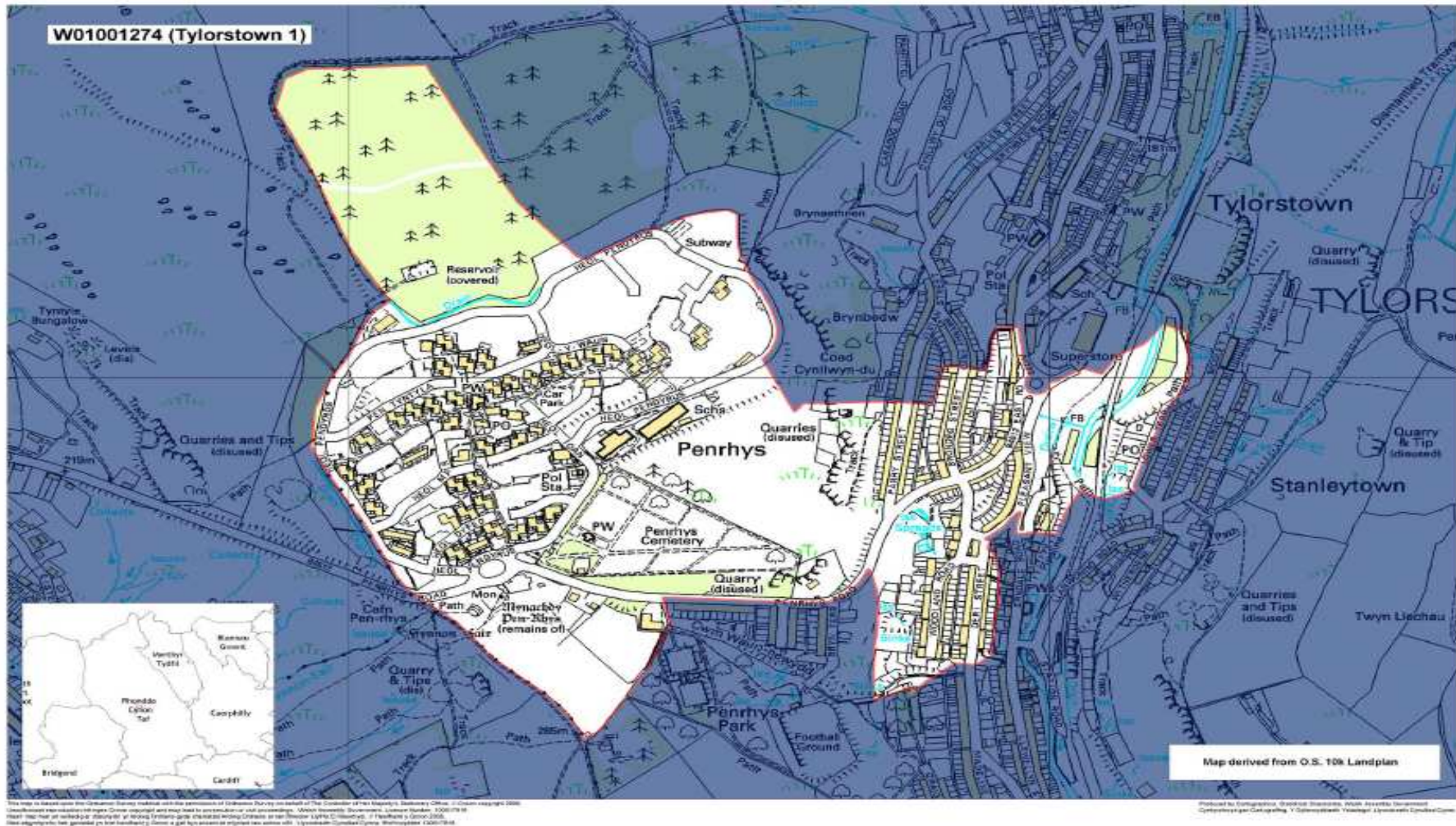
LSOA Name	LSOA Code	% of Empties	WIMD	% PRS Stock above Avg	% Social Rent above Avg	ECO Areas	C/F Area	TOTAL
Tylorstown 3	W01001276	10	0	10	10	10	10	50
Penrhiwceiber 1	W01001209	0	10	10	10	10	10	50
Tylorstown 1	W01001274	0	8	10	10	10	10	48
Cwm Clydach 1	W01001166	8	0	10	0	10	10	38
Pen-y-waun 2	W01001222	0	6	0	10	10	10	36
Pentre 3	W01001215	6	0	10	0	10	10	36
Abercynon 2	W01001144	0	4	10	0	10	10	34
Maerdy 2	W01001203	0	2	0	10	10	10	32
Ferndale 3	W01001177	2	0	10	0	0	10	22
Treorchy 1	W01001269	4	0	10	0	0	0	14

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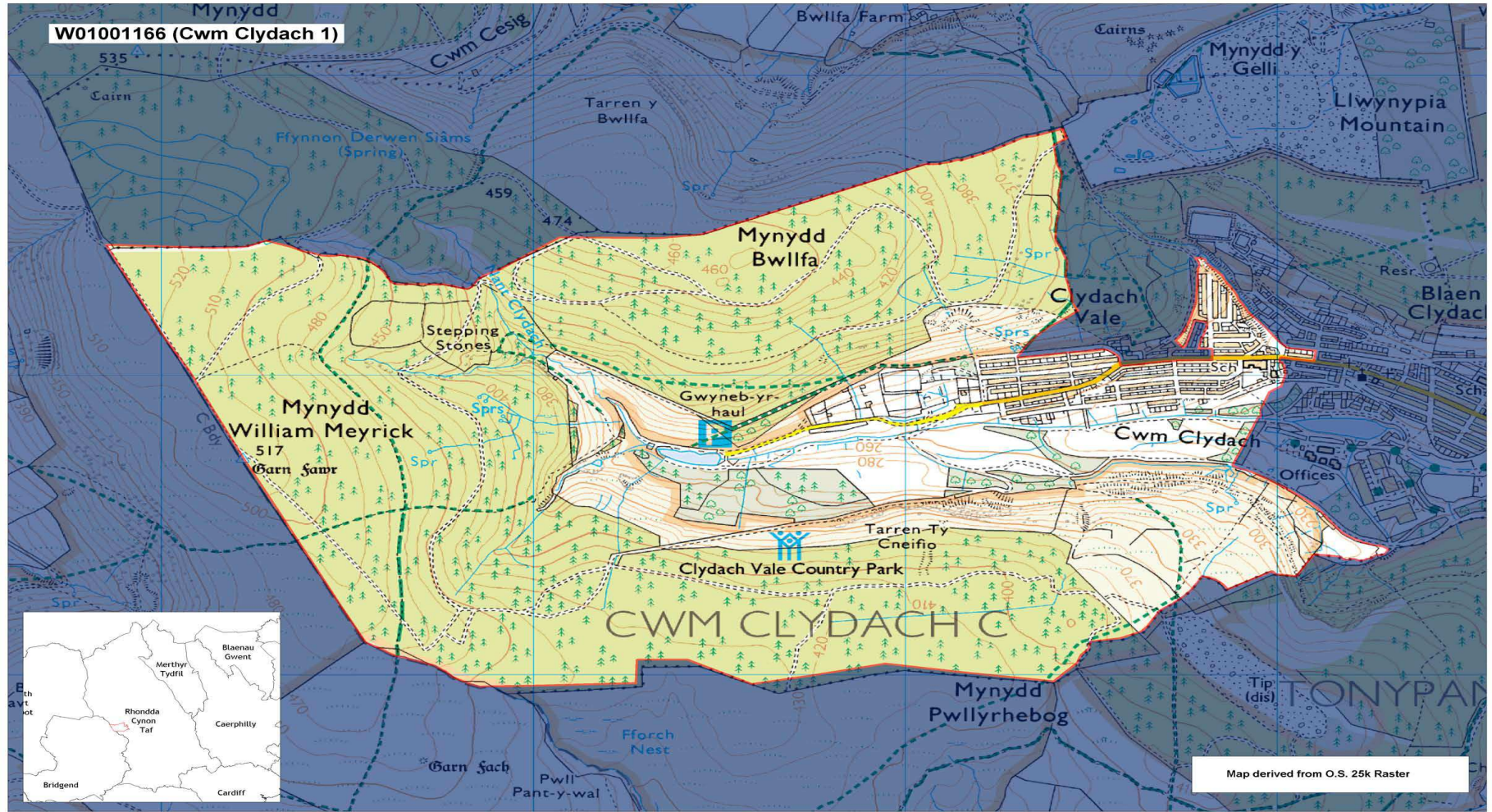
Appendix 3: Area Maps

Area 1: Tylorstown 1 and 2

Tylorstown 1



Tylorstown 2



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