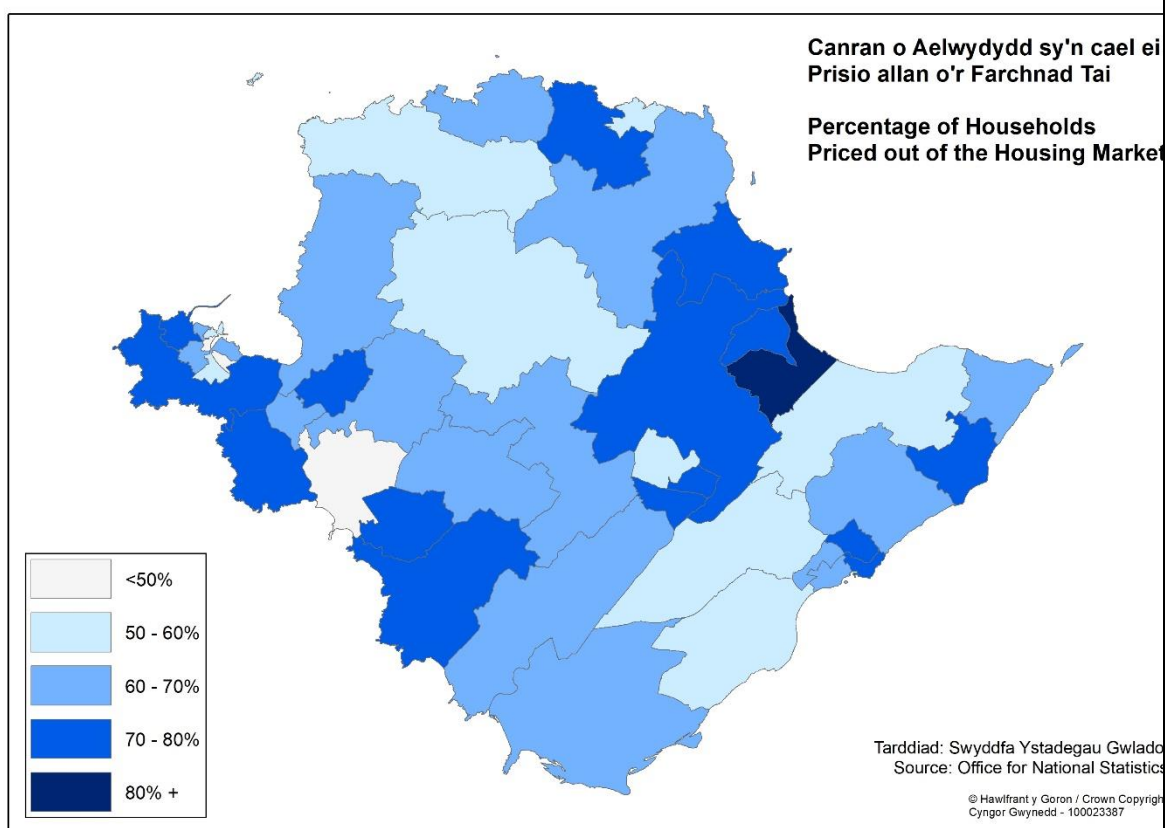


Isle of Anglesey County Council	
Report to:	The Executive
Date:	24 January, 2022
Subject:	Responding to the local housing challenge- Shared Equity Policy
Portfolio Holder(s):	Cll. A Mummery
Head of Service / Director:	Ned Michael
Report Author: Tel: E-mail:	Elliw Llyr, Policy, Commissioning and Strategy Manager 01248752137 Elliw Llyr@ynysmon.gov.uk
Local Members:	

A –Recommendation/s and reason/s
<p>R1 Recommend that the Executive approve the Shared Equity Policy.</p> <p>1. Background</p> <p>As part of it's range of initiatives to offer affordable housing, Housing Services propose to introduce a Shared Equity Policy which will assist those who are unable to buy their home on the open market and those unable to gain access to Social Housing. Buying a home remains outside the range of many first-time buyers due to high property prices relative to local incomes and the deposits required.</p> <p>The Share Equity Policy assists in meeting two objectives identified within our Housing Strategy which are:</p> <p>Theme 1 – Development of the right homes for Anglesey's future</p> <p>Theme 2 – Making best use of existing housing stock and improving homes and communities</p> <p>With the action being that we will 'offer social rented properties, intermediate rents, self build and assistance to first time buyers'.</p> <p>Recent information has highlighted that the lack of affordable homes available for local people to purchase has been linked to people now being able to work from home and therefore re/locating to Anglesey coupled with an increase in second homes and the holiday let market such as Air B&Bs. A recent report by the Joint Planning Service for Gwynedd and Anglesey stated that:</p>

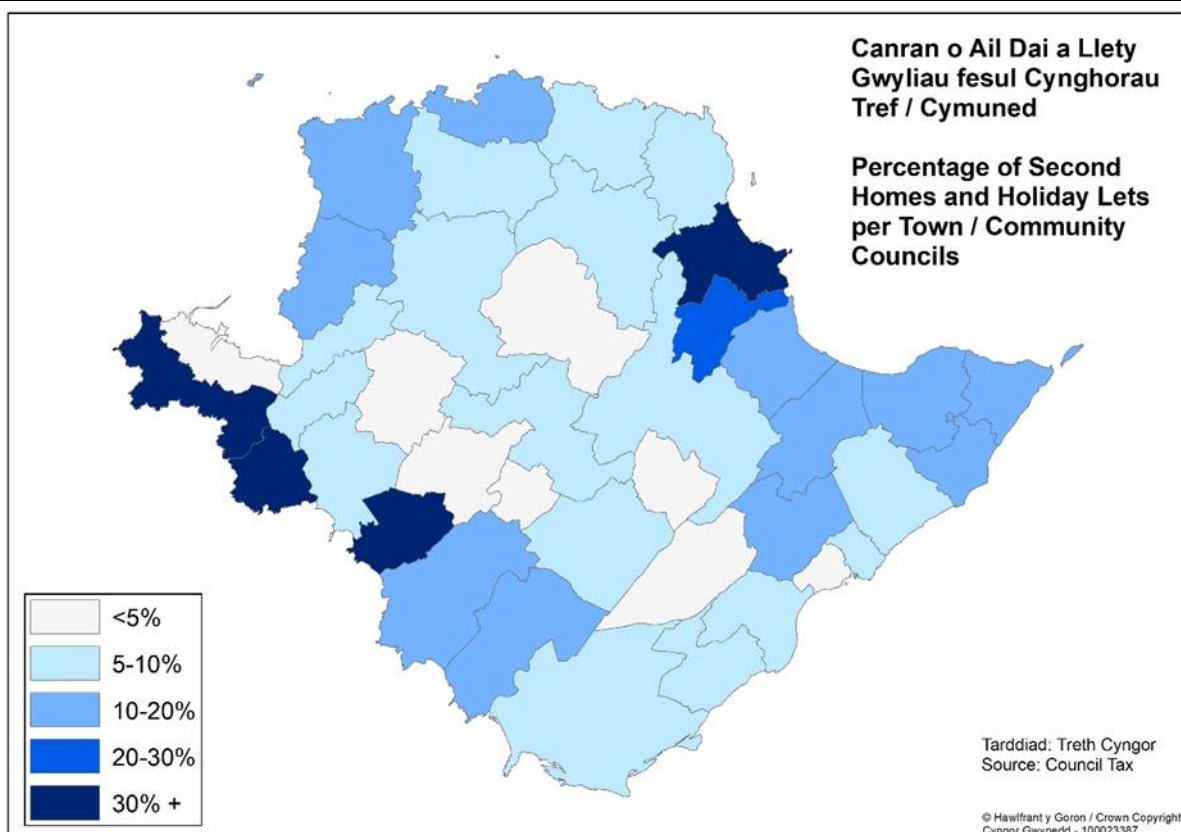
A –Recommendation/s and reason/s

'The average median house price in Anglesey (2019) was £170,000. With an average income of £27,445 the income to house price affordability ratio in the county is 6.2:1. This means on average that 62.2% of local people are priced out of the housing market. This statistic increases greatly in the wards where there are high numbers of holiday homes. For instance, in the Rhosneigr where 35.12% of the houses in the community council area are holiday homes, the median average house price is £263,000. With an average household income of £31,596, the house price to affordability ratio in the area is almost double the county's average at 8.3:1'. The map below shows the percentage of households priced out of the housing market per ward:



The following map demonstrates the distribution of holiday accommodation across Anglesey:

A –Recommendation/s and reason/s



Housing Needs Survey

A housing needs survey was posted on the Council's website for a period of 6 weeks, ending on the 21st December 2021, in order to find the accommodation needs of the people living on the Island.

66 responses were received with 57 respondents currently looking for a home on the Island.

69% (44) of the respondents were looking for a property to purchase, with 11 of these looking to purchase a property through a shared equity scheme.

Common answers to the question "*In your opinion, is anything preventing you from finding a suitable home?*" were that open market house prices are too high in comparison to local wages and the effect of second homes and holiday accommodation on the local housing market.

Affordable Housing Register

As of December 2021 there are 458 applicants registered for affordable properties on the Tai Teg website, with 260 of these applicants looking to purchase an affordable property on Anglesey.

Implementation of the Shared Equity Policy

The Policy sets out which type of properties will be eligible for funding and the responsibilities of both the Purchaser and Council within the Policy. Priority will

A – Recommendation/s and reason/s

be given to individuals having a connection of 5 years or more to a Community Council Area.

As a member of the Tai Teg Partnership, the Council will be utilising the administrative procedures adopted by Tai Teg which is also utilised by other Councils and Housing Associations across North Wales to administer the Shared Equity Policy. The administrative procedures entail the process of promoting and assessing potential applicants against the requirements of this Policy.

Tai Teg provides different options regarding affordable units available, whether it is rented (intermediate rent) or purchase properties that are more affordable than properties that are for sale on the open market. The website provides information on schemes and the criteria that must be met to be approved and placed on the register.

It is expected that an annual budget will be set for the implementation of the policy, which will be financed through both the Council General Fund and the Housing Revenue Account.

In principle, it is expected that properties on sale on the open market whereby Shared Equity is offered to assist with the purchase will be financed through the General Fund and New Build properties will be financed through the Housing Revenue Account.

B – What other options did you consider and why did you reject them and/or opt for this option?

Our Empty Homes Schemes are assisting local households to access affordable homes to buy; this Policy will widen the range of affordable homes we can offer for both existing and Council build properties. The option not to offer an Equity Share will limit our offer to assist local households.

C – Why is this a decision for the Executive?

This is a new Policy which will be financed via the Council Tax Premium and the Council New Build will be financed via the Housing Revenue Account.

Ch – Is this decision consistent with policy approved by the full Council?

Yes

D – Is this decision within the budget approved by the Council?

This Policy will be implemented once a final decision is received on the Budget for 2022-23 and approval is given by the Executive (24 January, 2022)

Dd – Assessing the potential impact (if relevant):

1	How does this decision impact on our long term needs as an Island?	People who have a local connection to their communities are currently unable to afford to buy a home. This Policy assists people to be able to remain within their local communities
2	Is this a decision which it is envisaged will prevent future costs / dependencies on the Authority? If so, how?	This Policy assists people to be able to remain within their local communities
3	Have we been working collaboratively with other organisations to come to this decision? If so, please advise whom.	
4	Have Anglesey citizens played a part in drafting this way forward, including those directly affected by the decision? Please explain how.	<p>A recent housing needs survey shows that 69% (44) of the respondents are looking to purchase, with 11 of these looking to purchase a property through a shared equity scheme.</p> <p>This information and responses from our Housing Strategy 2022-27 consultation has been utilised to develop this Policy</p>
5	Note any potential impact that this decision would have on the groups protected under the Equality Act 2010.	None identified, see Equality Impact Assessment
6	If this is a strategic decision, note any potential impact that the decision would have on those experiencing socio-economic disadvantage.	People who have a local connection to their communities and are currently unable to afford to buy a home. This Policy assists people to be able to remain within their local communities
7	Note any potential impact that this decision would have on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.	No negative impact identified. See Welsh Language Impact Assessment

E – Who did you consult?		What did they say?
1	Chief Executive / Senior Leadership Team (SLT) (mandatory)	Supportive of recommendation
2	Finance / Section 151 (mandatory)	Supportive of recommendation
3	Legal / Monitoring Officer (mandatory)	Supportive of recommendation
4	Human Resources (HR)	n/a
5	Property	n/a
6	Information Communication Technology (ICT)	n/a
7	Procurement	n/a
8	Scrutiny	n/a
9	Local Members	

F - Appendices:
Shared Equity Policy Equality Impact Assessment Welsh Language Impact Assessment

Ff - Background papers (please contact the author of the Report for any further information):

Cyngor Sir Ynys Môn
Shared Equity Policy
Draft v0.2

Revision history

Version	Date	Summary of changes
0.1	September 2021	Made following initial discussions of policy
0.2	October 2021	

Next review date	
The policy will be reviewed on:	October 2022
The review will be conducted by:	Housing Strategy, Policy and Commissioning Team

Contact details:

Housing Services, Council Offices, Llangefni, Anglesey, LL77 7TW

01248 752200

adrantai@ynysmon.gov.uk

We are happy to provide this information in alternative formats on request - please use the contact details above.

This document is available in English.

Mae'r ddogfen hon ar gael yn y Gymraeg.

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1. Policy aims and purpose

The purpose of this Policy is to introduce a Shared Equity Scheme for the following types of properties:-

- a) Properties which are for sale on the open market
- b) Properties which are identified by the Council as being available as Shared Equity which is funded from the Housing Revenue Account, Council Tax Premium or from Planning Obligations

The Policy offers First Time Buyers (FTB) an opportunity to obtain an equity loan to enable them to purchase a suitable home in their local area which they would otherwise be unable to afford. The scheme aims to help low income households who would be otherwise be unable to purchase a home.

The Council will take an equity share up to 30% of the purchase price in properties as described in a) and b) above (with discretion to increase this up to 50% in exceptional circumstances). The maximum purchase price for applicants will be capped at £250,000. This will result in FTBs requiring a smaller deposit (minimum 5% of purchase price) and mortgage, thereby making it a more affordable route into home ownership.

The Housing Strategy 2022-27, under the **Theme 2 – Making best use of existing housing stock and improving homes and communities**, states that we will offer advice, grants and loans to bring back empty homes into use, this includes offering shared equity and assistance to first time buyers by utilising the Council Premium Tax to fund these initiatives.

The Housing Prospectus shows that of those applicants registered on Tai Teg, 190 wish to purchase their home. The Prospectus includes information at a Community Council level, this information can be used when comparing the outputs of this policy and the identified need when reviewing its implementation.

This Policy outlines how the Council will develop and acquire shared equity properties to meet housing need in the area and is based on best practice.

2. Background

Shared ownership (SO) and shared equity (SE) products have been a part of UK housing policy for at least three decades. They were originally developed to address issues of affordability in the 1970s when inflation was very rapid and people who could easily afford to buy over their working lifetime were excluded by high mortgage repayments in the early years of a traditional mortgage due to high interest rates.

Later they became one of a range of low-cost homeownership initiatives aimed at extending home ownership, based on expectations that households' incomes would increase so that they could move to 100 per cent purchase within a reasonable time (*Allen, P., 1982; Booth and Crook, 1986*). More recently, SO/SE products have been used as a means of providing shallow subsidy to increase homeownership rates by enabling marginal purchasers to buy as house prices rose faster than incomes and more households were excluded (*NAO, 2006*).

While there have been many different versions over the years, central government policy has concentrated on two core models:

- **shared ownership** where the purchaser buys a proportion of the property with a traditional mortgage, while the other portion is owned by a social landlord who receives rent on this element;
- **shared equity** where the purchaser buys 100 per cent of the property but obtains an equity loan to cover part of the value.

Interest rates

Purchasers who use either SO or SE hold a traditional mortgage only on the proportion they are purchasing, so the impact of changes in interest rates is reduced. Instead, SO purchasers pay a rent relating to capital value. SE purchasers may in some circumstances pay a charge but this does not vary with market interest rates. The cost of this reduction in outgoings comes in terms of loss of capital gains but the price at the time of purchase of future tranches can be high or low depending on the market. These variations are related to equity values rather than interest rates. So SO and SE reduce the risk from interest rate changes by reducing the size of the traditional mortgage. The total amount that is repaid is linked to the value of the property at the time, and not the amount that was originally borrowed.

(Shared ownership and shared equity: reducing the risks of home-ownership JRF, 2010)

A research paper by House of Commons Briefing Paper Shared Ownership (England: the fourth tenure) 2020 highlighted that such initiatives can be:

Complex - shared ownership is a complicated hybrid tenure, which can be difficult for potential buyers, providers and lenders to understand. This complexity is compounded by variations in product names used by different providers and the range of additional eligibility requirements across different localities.

Responds to affordability issues - in a rising housing market it becomes more expensive to buy further shares in the property and staircasing itself involves additional costs for the shared owner, including valuation, legal and mortgage fees. The increasing costs of shared ownership have made it more challenging for households to progress to full ownership. Around 4,000 households staircased to 100% ownership in 2018/19, equivalent to 2.3% of all shared-equity homes owned by housing associations.

Mortgage availability – limited mortgage availability and less favourable interest rates on shared ownership mortgages are regarded as a factor limiting the uptake of shared ownership.

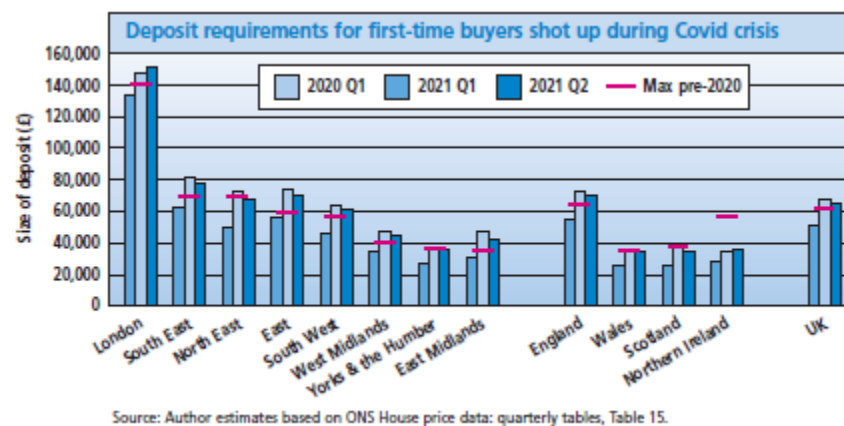
Limited demand in some areas – demand for shared ownership varies around the country, as does the financial viability of development. Demand is greatest where affordability is most stretched – largely in the south of England. In some areas the Government's Help to Buy: Equity Loan scheme is financially more attractive to first-time buyers.

Reselling – the process for selling a shared ownership property is not straightforward. Furthermore, the secondary market is small which can make it difficult to match buyers and sellers or move within the tenure.

Although the above refers to Shared Ownership schemes these could be macro factors that influence the implementation of this policy and inform it's review over time.

The CIH UK Housing Review Autumn Briefing Paper, 2021 highlights that some FTBs are at a disadvantage and that inequality is driven by the housing market. It also states that debt vulnerability will grow if FTBs stretch their finances to get on the housing ladder only to face higher mortgage rates and limited capital gains over the next few years.

The table below shows the increase in the amount of deposit required by FTBs during the Covid crisis:



The Review states that ‘Covid has disrupted household behaviour patterns, perhaps permanently, with real consequences for the housing market. Households’ lockdown experiences and greater opportunities for flexible working have triggered strong demand for extra space, a huge uplift in activity levels and inevitable upward pressure on prices. This was amplified by the introduction of the stamp duty holidays in 2020 – a response to the politics of homeownership alongside the desire to stimulate the wider economy – giving a particular boost to existing owners and (across much of the UK) investors.’

3. Duties and Responsibilities

The scheme is discretionary and subject to available funding.

3.1 Council Duties and Responsibilities

This initiative is financed from the Housing Revenue Account, Council Tax Premium and/ or Planning Obligations with a maximum equity share given by the Council of £75,000 with a capped purchase price for applicants at £250,000. The amount depends on the price of homes in the area where the household need to buy and the financial means of the household.

- 3.1.1** Applicants will be prioritised based on date of approval.
- 3.1.2** Neither the Council nor Tai Teg will provide financial advice to applicants and any guidance given will be limited to factual information only. Applicants will be encouraged to seek independent financial advice from an advisor with an understanding of the shared ownership product and associated lender requirements.
- 3.1.3** The maximum amount of assistance provided by the Council is £75,000 unless otherwise agreed, the maximum amount of loan assistance will be 30% of the value of the qualifying property.
- 3.1.4** The equity loan is secured by means of a second legal charge on the property, after the first charged mortgage.
- 3.1.5** The Council could receive an increase in the value of the equity share value of the property as well as a value at less than the original equity share when the property is sold.
- 3.1.6** The Council will charge an administration fee for officer's time spent on administration tasks relating to the property.

3.2 Responsibilities of both Council and Owner

3.2.1 Re-sales

The Owner is required to notify the Council of their intention to sell the property. Where such notification is received, the Council will appoint an independent RICS qualified surveyor within 14 days to ascertain the current market value of the property. The cost of this will be re-charged to the Owner.

The Council has 8 weeks from receipt of notification that the Owner wishes to sell their property to agree to purchase the property at the Open Market Value. If the Council is unable to agree to purchase the property the Owner is entitled to advertise the property on the open market and repay the Council's equity based on the valuation or sale price, whichever is greater.

- 3.2.2** Amounts repayable to the Council will be recycled for future use facilitated by this Policy

3.2.3 Stair-casing

Owners are able to increase the share that they own at any time. The price paid for any increased share is based on the full open market value of the property at the time of stair-casing as assessed by a RICS qualified surveyor.

Where the Council receives notification of the Owners intention to stair-case, an independent surveyor will be appointed within 14 days. The cost of this will be re-charged to the Owner. A valuation will be valid for three months from the date received by the Council. It is expected that Owners will complete their stair-casing purchase within that time period, however, where

there have been delays outside of the control of the Owner the Council may allow this to be extended to six months. The Owner will be able to staircase up to 90% of the property value

3.2.4 Downward stair-casing

Downward stair-casing involves the repurchase of some of the equity from the existing Owner. Independent surveyors, as appointed by the Council, will be re-charged to the Owner. Following this transaction, the Owner continues to live in the property owning a smaller share. Downward stair-casing is at the discretion of the Council as the provider and will be considered only in exceptional circumstances. This could be because the Owner is at risk of repossession or falling into arrears and no alternative solution can be found. The Council will not agree to own more than 50% of the equity share

3.3 Owners Duties and Responsibilities

The applicant must meet the Assessing Eligibility below (4) as well as the following requirements:

- 3.3.1** The applicant will need to secure a repayment mortgage for the duration of the mortgage loan.
- 3.3.2** Households will move into the home and use it as their primary residence . People occupying holiday or other temporary accommodation (for example hospital or student accommodation) are not regarded as normally resident unless they can demonstrate that this has been their sole or main home for a period of at least 5 years. Normally resident does not include people detained in prison or resident in a bail hostel.
- 3.3.3** The Owner is responsible for the maintenance of the property .
- 3.3.4** Any subsequent lending made against the property by the Owner must not be done without prior consent of the Council.
- 3.3.5 Building Insurance**
It is the Owner's sole responsibility to obtain and secure building and contents insurance for the property. The Council will request a copy of the building insurance policy documents or any other insurances relating to the property by giving 28 days notice in writing.
- 3.3.6 After Sales**
Owners will be responsible for paying fees associated with Land Registry registration, the payment of stamp duty land tax and legal fees.
- 3.3.7 Subletting**
This policy prohibits subletting. This is to protect public funds from misuse and to ensure that applicants are not entering into shared equity for financial gain (apart from the creation of equity). Requests to sublet will ordinarily be refused by the Council. In exceptional circumstances the Council may grant permission for a shared owner to sublet. In all cases, sub-letting or lodgers.
must be approved by the Council in writing.
- 3.3.8** The Owner could receive an increase in the value of the equity share value of the property as well as a value at less than the original equity share when the property is sold.

4. Details of the Policy

4.1 Assessing Eligibility

Shared equity aims to help people who are in housing need but unable to purchase a home on the open market without assistance.

- 4.2.1** All prospective purchasers must be registered and approved by [Tai Teg](#). Registration is at no cost to the applicant but the assessment for a property under this scheme is subject to a fee. The assessment will require that applicants will need to produce relevant documents e.g. payslips, bank statements, savings statement. The affordability assessment ensures that the person(s) is/are able to obtain a mortgage but the amount available through these means and through savings is insufficient to afford the outright purchase of a home suitable to meet their needs.
- 4.2.2** The applicant must be a first-time buyer or may have previously owned a property but are not currently a homeowner. Existing shared equity owners are also able to apply for assistance.
- 4.2.3** The maximum purchase price is capped at £250,000 for applicants.
- 4.2.4** The household needs to be able to raise a minimum 5% deposit on the share of the home, which they will own and to be able to obtain a mortgage on the share they will purchase.
- 4.2.5** The applicant will be prioritised as describe below:

- Priority 1 Applicants who have a 5 year or more residency in the Community Council area in which the property is located.
- Priority 2 Applicants who have a 5 year or more residency in one of the Community Council areas adjoining the Community Council area in which the property is located.
- Priority 3 Applicants who have lived or worked in Anglesey for a period of 5 years.

And that the applicants circumstances are

- stable and would enable them to take on and maintain mortgage payments and to raise a deposit

But

- Cannot afford to buy on the open market without assistance

5. Communications Plan

The Council will use a variety of approaches to advertise Shared Equity properties across the Island. This will include advertising New Build Shared Equity homes in advance of their completion via Tai Teg and the Council social media. The extent of marketing will be determined on a site-by-site basis for new build schemes.

Resale properties will be advertised through Tai Teg.

6. Definitions for the Purposes of this Policy

Planning Obligations	As defined under the Supplementary Planning Guidance, September 2019
First Time Buyers (FTB)	First-time buyer or may have previously owned a property but are not currently a homeowner
Exceptional circumstances	There is a medical need to purchase a property which has been adapted or can be adapted
The Owner	The occupier of a property who owns part of the property with the Council
The Council	Isle of Anglesey County Council which has a second charge on the property
Tai Teg	Tai Teg provides different options regarding affordable units available, whether it is rented (intermediate rent) or purchase properties that are cheaper than properties that are for sale on the open market. The website provides information on schemes and the criteria that must be met to be approved and placed on the register.
Housing Revenue Account (HRA)	A record of all revenue expenditure and income relating to the provision of council housing and related services.
Market Value	The price that property would achieve if sold on the open market by a willing buyer/seller
Administration Fee	A fee of £500 will be charged
Re-sale	The process whereby the Owner sells the property on
Stair-casing	The process of acquiring additional shares from the Council
Downward stair-casing	Involves the repurchase of some of the equity from the existing Owner by the Council

Appendix 1 Examples of how the scheme works

House price identified by the household that is suitable for their needs = £120,000

- Annual Household income = £23,000
- Mortgage @3.5 times income = £80,500
- Plus 5% deposit = £6,000
- Shortfall = £120,000 minus £84,500 = £35,500 or 30% of the property value.

How the loan Works

The shortfall between the amount affordable to the applicant and the property price is paid by the Council with the amount being calculated as the percentage of the current property value. If the property is sold in the future, then it is this percentage of the market value, at the time the property is sold, that is repayable to the Council and “recycled” for future use. The household has full home ownership responsibilities for the property which includes full maintenance but do not pay any interest on the loan awarded by the Council. Should the property value reduce the amount repayable to the Council will be based on the future value of the property as shown in Example a).

If the value of the property increases the amount repayable to the Council will be based on the future value of the property as shown in Example b).

Example a

A couple use the scheme to purchase a 2 bedroom property in 2020 for £120,000. The couple provide a deposit of 5% of the purchase price (£6000) and 30% of the purchase price is funded by an equity loan of £36,000 from the Council. They take a mortgage of £78,000 for the remainder. The couple therefore hold a 70% share in the property (£84,000). After three years they move away from Anglesey and sell the property in 2023 for £118,000. The couple receive 70% of the sale price i.e. £82,600 and 30% must be repaid to the Council, i.e. £35,400.

Example b

A couple uses the scheme to purchase a 2 bedroom property in 2020 for £120,000. The couple provide a deposit of 5% of the purchase price (£6,000), and 30% of the purchase price is funded by an equity loan of £36,000 from the Council. They take a mortgage of £78,000 for the remainder. The couple therefore hold a 70% share in the property (£84,000). They sell the property in 2025 for £132,000. The couple receive 70% of the sale price, i.e. £92,400 and 30% must be repaid to the Council, i.e. £39,600

Households will be able to purchase additional equity in the property in “tranches” of 10% of the market value Example c).

Example c

A couple use the scheme to purchase a 2 bedroom property in 2020 for £120,000. The couple provide a deposit of 5% of the purchase price (£6,000), and 30% of the purchase price is funded by an equity loan of £36,000 from the Council. They take a mortgage of £78,000 for the remainder. The couple therefore hold a 70% share in the property value (£84,000).

After three years, they find they can afford to increase their share of the property by 10% to 80%. They obtain a valuation of the property by a qualified Chartered Surveyor who states that the property is worth £125,000. Their current 70% share based on the new valuation is now worth £87,500. An 80% share based on the new valuation is £100,000. The couple will therefore pay £12,500 to the Council in order to increase their equity share to 80%. When they sell the property in 2025 for £132,000 they receive 80% of the proceeds (£105,600) and 20% (£26,400) is repaid to the Council.

Equality Impact Assessment Template (including the Welsh language and the Socio-Economic Duty)

Mae'r ddogfen hon hefyd ar gael yn Gymraeg / This document is also available in Welsh.

Version	Date	Summary of changes
V0.1	October 2021	
V0.2	January 2022	Q17

Step 1: Background	
1 - What are you assessing?	Shared Equity Policy
2 - Is this a new or existing proposal?	New proposal to offer an equity share in existing and new build properties
3 - What are the aims and purpose of this proposal?	An opportunity for people to purchase a home which would not be able to afford to purchase a property on the open market

Step 1: Background		
4 - Who is responsible for the proposal you are assessing?	Housing Services- Strategy, Policy and Commissioning Unit	
5 - Who is the lead officer for this assessment?	Housing Strategy, Policy and Commissioning Manager	
6 - Who else is involved in undertaking this assessment?	Strategy, Policy and Commissioning Unit Empty Homes Officer Housing Development Manager Policy and Welsh Language Manager	
7 - Is the proposal related to other areas of work? For example, are there other proposals of policies that should be taken into consideration as part of this assessment?	Interim Housing Strategy 2021-22 and Draft Housing Strategy 2022-27	
8 - Is the proposal relevant to how the Authority complies with the public sector general duty relating to people who are protected by the Equality Act 2010? As a general rule, any policy that affects people is likely to be relevant across all protected groups.	The elimination of discrimination and harassment	
	The advancement of equality of opportunity	
	The fostering of good relations	
	The protection and promotion of human rights	
9 – Is the proposal a strategic decision? If so, the Socio-Economic Duty is relevant - see appendix 1.		

Step 1: Background	
<p>10 - Who would be affected by the proposal(s) (adversely or positively, directly or indirectly)?</p> <p>If this is a strategic proposal, ensure that you give specific consideration to whether the proposal would affect more on people living in less favourable social and economic circumstances than others in the same society (see appendix 1)</p>	<p>People who have a local connection to their communities and are unable to afford to buy a home. The aim of the offer of assisting is likely to have a positive impact on the socio-economic circumstances of some individuals by allowing them to be involved in property ownership. This in turn can reduce the uncertainty that may be associated with unstable living arrangements, such as co-living and family/friends or renting. Also support people to live closer to support/family networks.</p>

Step 2.1: Information Gathering – Welsh Language Standards and the Welsh Language Measure (Wales) 2011	
11 - Does this proposal ensure that the Welsh language is treated no less favourably than the English language, in accordance with the Council's Welsh Language Policy?	Any services associated with the offer will be provided in Welsh in accordance with the requirements of the Welsh language standards and the Council's Welsh language policy
12 - Is there an opportunity here to offer more opportunities for people to learn and / or use the Welsh language on a day-to-day basis?	It will offer people the opportunity to stay within their communities and contribute and use local services available in Welsh. It will also offer people the opportunity to access local education opportunities, including Welsh-medium education
13 – Will this area of work proactively offer services in Welsh for users?	
14 – Is this proposal likely to protect and promote the Welsh language within communities?	We believe it will and it contributes to the achievement of the priority area vision of three Welsh Promotion Strategy 2021-26, namely; 'Residents can afford to live and buy houses in their local communities.'
<p>To help you to answer the questions above, the corporate Impact Assessment Guidance lists a series of questions which should be considered when assessing how proposals impact on the Welsh language in general. The extent to which these questions are relevant will depend on the proposal in question. However:</p>	

Step 2.1: Information Gathering – Welsh Language Standards and the Welsh Language Measure (Wales) 2011	
<ul style="list-style-type: none"> If you are looking at how the implementation of the Council's key policies, strategies or guidance would affect the Welsh language; or If your initial response to the above questions raises any concerns or evidence to suggest that the proposal would treat the Welsh language less favourably than the English language, or would have a detrimental impact on opportunities for people to use the Welsh language; <p>a more comprehensive impact assessment on the Welsh language should be carried out. A separate template is available on MonITor. The Welsh Language Commissioner's good practice advice document is also available on MonITor to assist you further.</p>	

Step 2.2: Information Gathering – Human Rights Act 1998	
15 - Are there any Human Rights issues? If so, what are they? For example, could this proposal result in the failure to safeguard the right to privacy?	(The 16 basic rights are listed at Appendix 2). no

Step 2.3: Information Gathering – Well-Being of Future Generations (Wales) Act 2015		
16 – Does this proposal meet any of the seven national well-being goals outlined in the Well-being of Future Generations (Wales) Act 2015? (Descriptions of the wellbeing goals are listed at Appendix 3)	A prosperous Wales	yes
	A resilient Wales	yes
	A healthier Wales	yes
	A more equal Wales	yes
	A Wales of cohesive communities	yes
	A Wales of vibrant culture and thriving Welsh language	yes
	A globally responsible Wales	New Build will be of high energy standard

Step 2.4: Information Gathering – Engagement / Consultation / Evidence / Filling gaps in information Please see the pre-consultation and pre-engagement checklist, which is available on MonITor	
17 - What has been done to date in terms of involvement and consultation with regard to this proposal?	A housing need questionnaire has been issued and information collated from our Housing Strategy consultation responses
18 – What other information have you used to inform your assessment? Please list any reports, websites, links used etc here and include the relevant evidence in the table in Step 3 below	Information from the Housing Strategy and Housing Prospectus
19 - Are there any gaps in the information collected to date? If so, how will these be addressed?	

Step 3: Considering the potential impact and identifying mitigating action

20 – Note below any likely impact on equality for each individual group, and identify what action could be taken to reduce or improve the impact. *For determining potential impact, please choose from the following: **Negative / Positive / No impact**

Protected group	*Potential Impact	Details of the impact (including evidence to support the findings)	Actions to mitigate negative impact
Age	Positive		
Disability	Positive		
Sex	Positive		

Protected group	*Potential Impact	Details of the impact (including evidence to support the findings)	Actions to mitigate negative impact
Gender Reassignment	Positive		
Pregnancy & Maternity	Positive		
Race / Ethnicity / Nationality	Positive		
Religion or Belief	Positive		
Sexual Orientation	Positive		
Marriage or Civil Partnership	Positive		
Welsh language	Positive		
Human Rights	Positive		
Any other relevant issue.			
There are clear links between equality and socio-economic issues. Discrimination against protected groups can be a direct cause of socio-economic disadvantage. If any such issues become apparent when assessing non-strategic matters, they should be given due regard and recorded under the relevant protected group, or under 'any other relevant issue' above.			

Please complete this section if the proposal is a strategic matter (see appendix 1)			
The Socio-Economic Duty	Potential impact	Details of the impact (including evidence to support the findings)	Actions to mitigate negative impact
Is the proposal likely to cause any inequalities of outcome resulting from socio-economic disadvantage?	Low impact		

Step 4 – Outcome of the assessment

There are four possible outcomes – bear these in mind when completing the next section:

- **No major change** - The assessment demonstrates the proposal is robust; there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.
- **Adjust the proposal** - The assessment identifies potential problems or missed opportunities. Adjust the proposal to remove barriers or better promote equality.
- **Continue the proposal** - The assessment identifies the potential for adverse impact or missed opportunities to promote equality. Clearly set out the justifications for continuing with it. The justification should be included in the assessment and must be in line with the duty to have due regard. For the most important relevant proposals, compelling reasons will be needed.
- **Stop and remove the proposal** - The proposal shows actual or potential unlawful discrimination. It must be stopped and removed or changed. (The codes of practice and guidance on each of the public sector duties on the Commission's website provide information about what constitutes unlawful discrimination.)

Step 4: Outcome of the assessment	
21 - Note the impacts identified and how it is intended to mitigate any negative impact in terms of equality, the Welsh language and, if relevant, socio-economic disadvantage (ie a summary of the table/s in step 3)	No major change
22 - Describe any actions taken to maximise the opportunity to promote equality and the Welsh language, the goals of the Well-being of Future Generations (Wales) Act 2015 (sustainability) and, if relevant, ensure better outcomes for those facing economic disadvantage.	No major change
23 - Would any aspect of the proposal contravene the wellbeing goals of the Well-being of Future Generations (Wales) Act 2015?	No major change
24 – Is there a need to look at what could be done differently, or to reconsider the entire proposal as a result of conducting this assessment?	No major change

Step 4: Outcome of the assessment	
(Evidence of negative impact could render the proposal or decision unlawful. If you have identified negative impact, you should consider at this stage whether it is possible to proceed with the proposal).	
25 - Is there a strategy for dealing with any unavoidable but not unlawful negative impacts that cannot be mitigated?	
26 - Will the proposal be adopted / forwarded for approval? Who will be the decision-maker?	It will be approved by The Executive
27 - Are there monitoring arrangements in place? What are they?	Review within 1 year

Step 5: Action Plan

Please detail any actions that are planned following completion of your assessment. You should include any changes that have been made to reduce or eliminate the effects of potential or actual negative impact, as well as any arrangements to collect data or to carry out further research.

Ref	Proposed actions	Lead officer	Timescale

Appendix 1 – A More Equal Wales – The Socio-Economic Duty (Commencement date of the Duty: 31 March 2021)

What is the Duty?

The general aim of the duty is to ensure better outcomes for those suffering socio-economic disadvantage. When making strategic decisions such as deciding priorities and setting objectives, due regard must be given to the need to reduce the inequalities of outcome resulting from socio-economic disadvantage.

Who is likely to experience socio-economic disadvantage?

Socio-economic disadvantage can be disproportionate in both ‘communities of interest’ and ‘communities of place’, leading to inequality of outcome, which can be further exasperated when considering ‘intersectionality’:

Communities of interest – groups who share an experience, eg homelessness; or people who share an identity, eg lone parents, carers. Also those who share one or more of the protected characteristics listed in the Equality Act 2010.

Communities of place – people who are linked together because of where they live, work, visit or spend a substantial portion of their time there.

Intersectionality - crucially, this is about understanding the way in which a combination of characteristics such as gender, race or class, can produce unique and often multiple experiences of disadvantage in certain situations. One form of discrimination cannot and should not be understood in isolation from other forms. A truly intersectional approach ensures that this does not happen.

When will the Duty be relevant?

When making **strategic decisions**. The Welsh Government has provided some examples of strategic decisions (this is not an exhaustive list):

- Strategic directive and intent.
- Strategies developed at Regional Partnership Boards and Public Service Boards which impact on public bodies’ functions.
- Medium to long term plans (for example, corporate plans, development plans, service delivery and improvement plans).
- Setting objectives (for example, well-being objectives, equality objectives, Welsh language strategy).
- Changes to and development of public services.
- Strategic financial planning.
- Major procurement and commissioning decisions.
- Strategic policy development

Further details can be found in the corporate equality impact assessment guidance.

Appendix 2 – Human Rights

Human rights are rights and freedoms that belong to all individuals, regardless of their nationality and citizenship. There are 16 basic rights in the Human Rights Act – all taken from the European Convention on Human Rights. For the purposes of the Act, they are known as ‘the Convention Rights’. They are listed below:

(Article 1 is introductory and is not incorporated into the Human Rights Act)

- Article 2: The right to life
- Article 3: Prohibition of torture
- Article 4: Prohibition of slavery and forced labour
- Article 5: Right to liberty and security
- Article 6: Right to a fair trial
- Article 7: No punishment without law
- Article 8: Right to respect for private and family life
- Article 9: Freedom of thought, conscience and religion
- Article 10: Freedom of expression
- Article 11: Freedom of assembly and association
- Article 12: Right to marry
- Article 14: Prohibition of discrimination
- Article 1 of Protocol 1: Protection of property
- Article 2 of Protocol 1: Right to education
- Article 3 of Protocol 1: Right to free elections
- Article 1 of Protocol 13: Abolition of the death penalty

Appendix 3 - Well-being of Future Generations (Wales) Act 2015

This Act is about improving the social, economic, environmental and cultural well-being of Wales. Public bodies need to make sure that when making their decisions they take into account the impact they could have on people living their lives in Wales in the future. The Act puts in place seven well-being goals:

A prosperous Wales:

An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

A resilient Wales:

A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

A healthier Wales:

A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

A more equal Wales:

A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

A Wales of cohesive communities:

Attractive, viable, safe and well-connected communities.

A Wales of vibrant culture and thriving Welsh language:

A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

A globally responsible Wales:

A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.

Isle of Anglesey County Council - Welsh Language Impact Assessment Template

Issues to consider with regard to the Welsh Language

The corporate equality impact assessment template includes specific questions about the impact of decisions on the Welsh language (questions 11-14). The extent to which these questions are relevant will depend on the proposal in question.

However:

- If you are looking at how the implementation of the Council's key policies, strategies or guidance would affect the Welsh language; or
- If your initial response to the above questions raises any concerns or evidence to suggest that the proposal would treat the Welsh language less favourably than the English language, or would have a detrimental impact on opportunities for people to use the Welsh language;

a more comprehensive impact assessment on the Welsh language should be carried out. Please complete this template and attach to your equality impact assessment on the same proposal.

The **Welsh Language Commissioner's good practice advice document** is also available on MonITor to assist you further.

What is being assessed?	Shared Equity Policy
Who is carrying out this assessment?	Housing Services – Strategy, Commissioning and Policy
Assessment completion date	January 2022

Isle of Anglesey County Council - Welsh Language Impact Assessment Template

1 - Compliance with the Welsh Language Policy	
<p>1.1 Is the proposal influential in terms of dealing with the Welsh-speaking public?</p> <ul style="list-style-type: none"> • Will activities such as corresponding by letter, communicating by telephone, public meetings and other meetings comply with the language policy? • Will any new IT development comply with the policy? 	<p>Yes, all materials relating to this Policy will be published bilingually</p>
<p>1.2 Is the proposal likely to impact upon the public image of the organisation?</p> <ul style="list-style-type: none"> • Will all signs comply with the language policy? • Will publications and forms be compliant? • Will any publicity material or marketing campaigns comply? • Will staff recruitment advertisements comply? • 	<p>Yes, all materials relating to this Policy will be published bilingually</p>
<p>1.3 Is the proposal likely to have an impact upon the implementation of the language policy?</p> <ul style="list-style-type: none"> • Will the proposal create new jobs? • Will the staffing arrangements facilitate the implementation of the language policy? • Will the proposal offer training through the medium of Welsh? • Will any arrangements with third parties comply with the 	<p>Yes, all materials relating to this Policy will be published bilingually</p>

Isle of Anglesey County Council - Welsh Language Impact Assessment Template

1 - Compliance with the Welsh Language Policy	
<p>language policy?</p> <ul style="list-style-type: none"> • Will the proposal include any targets or indicators relating to the language? • How will performance be monitored and measured? 	

2 - Effect on Welsh speaking users	
<p>2.1 Will the proposal offer a language choice for users?</p> <ul style="list-style-type: none"> • Will it be possible for users to receive any part of the service in Welsh? 	Yes, in accordance with the Council's Policy
<p>2.2 If there a risk for the proposal to discriminate against Welsh speaking service users?</p> <ul style="list-style-type: none"> • Have the needs of Welsh speakers been considered in the proposal? • Are Welsh speakers likely to receive the same standard of service as provided in English? • Are Welsh language arrangements likely to lead to a delay in the service? 	No. It will be one level of service provision offered through the medium of English and Welsh. Staffing capacity is arranged in such a way as to ensure that a Welsh language medium service is available.
<p>2.3 Is the proposal likely to make Welsh more visible?</p> <ul style="list-style-type: none"> • Is it likely to increase use of the language by producing Welsh language materials and signs? 	No

Isle of Anglesey County Council - Welsh Language Impact Assessment Template

2 - Effect on Welsh speaking users	
<ul style="list-style-type: none"> Is it likely to influence others to make more use of Welsh, for example businesses? 	Na
<p>2.4 Will the Welsh language service in relation to the proposal be accessible?</p> <ul style="list-style-type: none"> Will the service be as accessible in Welsh as in English? Will the services be available at the same time? 	Yes, in accordance with the Council's Policy

3 - Effect on Welsh speaking communities	
<p>3.1 Is the proposal likely to contribute towards safeguarding Welsh in communities?</p> <ul style="list-style-type: none"> Is it likely to contribute towards efforts to tackle the challenges of demographic change and migration - such as providing opportunities for young people to stay in their communities? Is it likely to contribute towards the local economy in Welsh speaking areas? Will it provide Welsh medium services - such as child-minding services? 	<p>This Policy complements our Housing Strategy which promotes the opportunity for people to stay within their communities and on the Island by offering a range of different initiatives.</p> <p>According to the Census, the percentage of Welsh speakers in the population aged 16-64 (working age) fell by 27.1%, a decrease of 8% in Welsh speakers aged 3-15; but a 16% increase in the percentage of Welsh speakers over the age of 65. This means that it is extremely important to hold on to young families, encourage Welsh speakers who have moved away to return to the area and encourage individuals to learn Welsh in order to at least maintain the language. Providing housing that is affordable enough and of the right kind to address the need in the local area and in a Local Service Centre (which is a sustainable location to live in) is an important way of doing this.</p>
<p>3.2 Does the proposal take steps to promote and facilitate the Welsh language?</p>	No new service is created as part of this Policy

Isle of Anglesey County Council - Welsh Language Impact Assessment Template

3 - Effect on Welsh speaking communities	
<ul style="list-style-type: none"> Does the proposal contribute towards Welsh medium community activities? Does it offer opportunities for young people to use Welsh outside school hours? Does it offer a new service that will also be available in Welsh – for example leisure or sporting activities and provision? Does it contribute or add value to other activities relating to language, such as the work of the local Welsh language initiative (Menter Iaith), the Urdd etc. 	No new service is created as part of this Policy

4 - Contribution towards Welsh language standards, language policies, strategies and other relevant guidance relating to the Welsh language	
<p>4.1 The language policies of partner organisations or nearby public bodies:</p> <ul style="list-style-type: none"> Is the authority working in partnership on the proposal? Which other organisations are likely to be affected by the development? Do those organisations have Welsh language standards or language policies? Does the proposal contribute towards these schemes? 	No new service is created as part of this Policy
<p>4.2 Relevant Welsh language strategies:</p> <ul style="list-style-type: none"> Will the proposal contribute towards the Anglesey Welsh 	Yes, it will offer opportunities for people to have access to housing within their communities and the Island. See 3.1 above

Isle of Anglesey County Council - Welsh Language Impact Assessment Template

4 - Contribution towards Welsh language standards, language policies, strategies and other relevant guidance relating to the Welsh language	
<p>Language Strategic Forum's Welsh Language Strategy 2016 – 2021 which was adopted by this Council in September 2016?</p> <ul style="list-style-type: none"> • How does the proposal contribute towards the vision of the Assembly Government for one million Welsh speakers by 2050? 	

5 – The impacts identified and assessed	
<p>5.1 What impacts and effects have you identified (ie summary of the responses to the above questions) together with the probability and likely severity/ significance of impact? How do you plan to address these impacts in order to improve the outcomes for the Welsh language? Detail mitigation measures/ alternative options to reduce adverse impacts and increase positive outcomes:</p>	
Positive impact	Opportunities for people to have access to housing and support through a range of initiatives
Adverse impact	No negative impacts identified
Opportunities to promote the Welsh language e.g. status, use of Welsh language services, use of Welsh in everyday life, Welsh at work increased?	Any service provided by Housing Services in relation to the strategy will be provided in Welsh in accordance with Welsh language standards and the Council's Welsh language policy.
Evidence / data used to support your assessment:	2011 Census data on the number of Welsh speakers by age.

Isle of Anglesey County Council - Welsh Language Impact Assessment Template

6 - Consultation	
<p>6.1 During consultation, what questions do you wish to ask about the Welsh Language Impacts?</p> <p>Guidance has been included in the pre-consultation and pre-engagement checklist, which is available on MonITor</p>	
6.2 With whom are you consulting? How are Welsh language interest groups likely to respond?	
6.3 Following consultation, what changes have you made to address language issues raised?	

7 – Post consultation, final proposals and ongoing monitoring	
<p>7.1 Summarise your final decisions, list the likely effects on the Welsh language and how you will promote/ mitigate these. Record your compliance with the Welsh language standards.</p> <p>You will need to refer to this summary in the equality impact assessment template (Step 4 – result of the assessment)</p>	No negative impact identified
7.2 How will you monitor the ongoing effects during the implementation of the policy?	The action plan at the end of the equality impact assessment template should be used to note any actions planned following completion of the assessment.

Isle of Anglesey County Council - Welsh Language Impact Assessment Template