



Report of the Cabinet Member for Homes and Energy

External Funding Panel – 5 June 2019

Innovative Housing Programme Phase 3 - To Support the Delivery of 20,000 New Affordable Homes in Wales

Purpose:	To provide details of the Welsh Government Innovative Housing Programme -To support the delivery of 20,000 new affordable homes in Wales
Policy Framework:	More Homes Strategy, Local Housing Strategy, Policy Commitments – Tackling Poverty
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that: 1) Approval is given to submit a funding bid for Innovative Housing Programme (IHP3) for the Hillview and Beaconsview 'Homes as Power Stations' Scheme.
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Legal Officer:	Lyndsey Thomas
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1. Introduction

- 1.1 The purpose of this paper is to provide the External Funding Panel with the background regarding a Welsh Government (WG) grant opportunity that will be used to support the Council's More Homes Programme.

2. Innovative Housing Programme (IHP3)

- 2.1 WG have announced the third round of IHP funding. IHP was introduced in 2017 by WG to support the delivery of innovative housing models in Wales and help to inform WG about the types of homes it should be delivering in the future.

- 2.2 This funding will be available to support the extra over costs for additional innovation only, it does not support the wider scheme build costs. The External Funding Panel has previously approved a bid for Phase 1 of this funding for the Colliers Way Passivhaus scheme and a bid for Phase 2 to support the Parc yr Helyg and Colliers Way 2 schemes.
- 2.3 It is now proposed that a further scheme is submitted under the IHP3 project. This scheme is Hillview and Beaconsview in the Clase area of Swansea which will deliver 25 new homes. The bid will be made under the City Deal Homes as Power Stations umbrella and will, if successful, support the City Deal project and help to promote Swansea as a leader in low carbon construction. The innovation being proposed is in the form of renewable technology, combining a fabric first approach with integrated solar roofs, battery storage, air source heat pumps, and mechanical heat ventilation recovery systems. As the innovation being proposed falls under the City Deal Homes as Power Stations (HAPS) umbrella it is hoped that WG will recognise the importance of the HAPS City Deal project and support the scheme.
- 2.4 Schemes must meet the following criteria to be considered for IHP3:
- Signed build contract before 5th March 2020 with start on site no later than 30 April 2020.
 - All schemes must participate in monitoring and evaluation.

3. Equality and Engagement Implications

- 3.1 The Council is subject to the Public Sector Equality Duty (Wales) and must, in the exercise of their functions, have due regard to the need to:
- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.

Our Equality Impact Assessment process ensures that we have paid due regard to the above.

- 3.2 An Equality Impact Assessment (EIA) screening tool confirms that a full EIA is not required at this stage. We will revisit the assessment if the funding bid is successful.

4. Financial Implications

- 4.1 This funding bid is for the innovation elements only, it does not include any build costs. The scheme has been included in the Housing Revenue Account (HRA) Development programme which has been approved by

Cabinet. The HRA More Homes budget will be used to fund the build costs. No match funding is required towards the innovation element of the scheme. Innovation in the form of renewable technologies can be removed from the scheme if the bid is unsuccessful. Exact costs for the innovation element are unknown at this point but are estimated to be in the region of £825k.

	2019/20 £	2020/21 £	Year 3 £	Year 4 £	Year 5 £	Total £	Ongoing £
Total project cost:							
Capital –							
Revenue							
Grant applied for:							
Capital		825,000					
Revenue							
Deficit		0					

5. Legal Implications

- 5.1 The Housing (Wales) Act 2014 sets out the Welsh Government's vision for housing in Wales and provides the framework to assist local housing authorities in Wales to provide affordable new homes.
- 5.2 The Council will need to ensure that it complies with any terms and conditions attached to this Welsh Government grant funding.
- 5.3 The grant is being delivered under section 31 of the Local Government Act 2003. As the funding will be for housing purposes and relate to land held within the HRA, the Authority will be able to credit the HRA with the funding under item 4 of Part 1 of Schedule 4 to the Local Government and Housing Act 1989.
- 5.4 Separate legal advice will be required on title issues on a scheme by scheme basis. Furthermore, it is a pre-funding condition that the Authority will be required to provide the Welsh Government with a legal charge over the freehold or leasehold property that is subject to a scheme. Such a restriction will prevent the disposal of the property without the consent of the Welsh Government.
- 5.5 Separate legal advice will be required regarding procurement and state aid. Contracts over OJEU thresholds will need to comply with European Procurement Directives.
- 5.6 Section 106 agreements will be required between the Authority and developers stipulating conditions or obligations on development during

the process.

5.7 Separate professional advice will also be needed in relation to valuations.

Background Papers: NGA1 Form, IHP3 papers

Appendices:

Appendix A EIA Screening Form