



## Report of the Cabinet Member for Homes, Energy & Service Transformation

Cabinet – 16 July 2020

### Welsh Government Valleys Taskforce Empty Homes Grant Phase 2 and Western Valleys Empty Homes Grant Pilot External Funding Bid and Programme 2020-2021

<b>Purpose:</b>	To provide details of the bid for Welsh Government Empty Homes Grant Phase 2 and Western Valleys Empty Homes Grant pilot and to seek approval to include schemes within the 2020/2021 capital programme to comply with Financial Procedure Rule No7 (Capital Programming and Appraisals)- to commit and authorise schemes as per the Capital Programme.
<b>Policy Framework:</b>	1. Local Housing Strategy. 2. Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance 2017-2022.
<b>Consultation:</b>	Legal, Finance, Access to Services.
<b>Recommendation(s):</b>	It is recommended that:  1) The bid for Welsh Government Empty Homes Grant Phase 2 scheme and Western Valleys Empty Homes Grant scheme pilot is approved.  2) The Welsh Government Empty Homes Phase 2 scheme and Western Valleys Empty Houses Grant scheme is included in the 2020-21 capital programme.  3) Authority is delegated to the Head of Service in conjunction with the Chief Finance Officer to accept the grant awards and the offer terms and conditions when these are received from Welsh Government.
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## **1. Introduction**

- 1.1 The purpose of this report is to provide background regarding the Welsh Government Valleys Taskforce Empty Homes Grant Phase 2 scheme and the Western Valleys Empty Homes Grant scheme pilot funding bids for 2020-21.
- 1.2 The Disabled Facilities Grants and Improvement Grant capital programme for 2020-21 report approved by Cabinet on 19<sup>th</sup> March 2020 included outline proposals to participate in the Welsh Government Valleys Taskforce Empty Homes scheme and Western Valleys Empty Homes scheme pilot in 2020-21. This included proposals to fund the Council's estimated capital contribution towards the scheme from carry forward balances from the Disabled Facilities and Improvement Grant Capital Programme in 2019-20.
- 1.3 The empty property schemes objective is to provide financial incentives to assist empty property homeowners to bring their property back into use by assisting with funding of repairs and improvements. This will increase the availability of much needed affordable housing in Wales.

## **2. Welsh Government Valleys Taskforce Empty Property Grant scheme Phase 2**

- 2.1 The Council was asked on the 11<sup>th</sup> December 2019 to participate in Phase 2 of the Welsh Government Valleys Taskforce Empty Homes Scheme by the Welsh Government Deputy Minister for Economy & Transport, Lee Waters and agree to a funding contribution of 35% towards the scheme in 2020-21. The Council had previously participated in Phase 1 of the scheme in 2019-20; this scheme was fully funded by the Welsh Government with no Council contribution required. In January 2020 the Council confirmed Swansea's intention to participate in Phase 2 of the scheme.
- 2.2 Up to £20,000 is available for owners of empty homes to bring them back into use. Empty homes within the Valleys Taskforce Area boundary, located on the northern fringes of the Council's boundary area are eligible. The scheme provides grant funding for proposed owner- occupiers to appoint contractors to carry out repairs and improvements to their home to make them suitable for occupation.
- 2.3 Welsh Government previously appointed Rhondda Cynon Taff Council to administer the scheme for all local authorities participating, with additional surveying functions support provided by individual local authorities.
- 2.4 Welsh Government funding for the scheme across all participating local authorities is £5.5 million in 2020-21; each local authority's funding allocation will be demand led from applications received from empty property homeowners in their area. In Phase 1 of the programme, Swansea received £136,855 of the £3,633,233 Welsh Government programme budget. The limited funding received by Swansea was a result of the start of

the scheme being delayed until the autumn of 2019 and the limited number of empty properties within the Valleys Taskforce Area in Swansea.

### **3. Welsh Government Western Valleys Empty Homes Scheme Pilot**

- 3.1 The Council was asked as part of four 'Western Valleys' local authorities to participate in a Western Valleys Empty Homes Scheme pilot in 2020-21 by the Welsh Government Minister of Housing and Local Government on the 20<sup>th</sup> March 2020, and agree to a contribution match funding rate of 35% towards the cost of the programme.
- 3.2 The conditions of the scheme's grant funding follow broadly those of the Welsh Government Valleys Taskforce Empty Property Scheme, with different grant levels for landlords according to priority need, grants of 75%, 50% and 25% of the cost of the works in exchange for giving 5,3 and 2 year nomination rights periods respectively. The scheme is available to empty properties situated in all areas of Swansea.
- 3.3 Grant levels will be £20k per property unit, with a maximum of £200k for a property with up to 10 self-contained units.
- 3.4 The scheme will be administered by each local authority for applications within their area, with local authorities able to claim a management fee for the costs of processing these grants.

### **4. Financial implications**

- 4.1 Welsh Government funding for the Welsh Government Valleys Taskforce Empty Homes Scheme across all participating local authorities is £5.5 million in 2020-21. The amount of funding provided to each local authority will be dependent on demand from grant applications received from owners of empty houses in that local authority area. Welsh Government are expecting local authorities to contribute 35% towards the cost of the works in 2020-21. Due to the Valleys Taskforce area being restricted to the northern fringes of the Swansea boundary area, there is limited empty housing stock, therefore the amount of funding allocation for Swansea is expected to be relatively low, between £250k to £400k. See Appendix A for details.
- 4.2 Welsh Government have confirmed indicative funding for the Western Valleys Empty Homes pilot in 2020-21 to Swansea of £338,000, with a council contribution of 35%, £182,000. The indicative funding is based on a programme projection in Swansea of 26 empty houses applying for this funding. See Appendix B for details.
- 4.3 The Disabled Facilities and Improvement Grant Capital programme 2020-21 report approved by Cabinet on the 9<sup>th</sup> March 2020 included proposals to fund the Council's capital contribution towards these schemes in 2020-21 from carry forward balances from the 2019-20 capital programme. Capital funding

allocated for these empty homes schemes in 2020-21 is £410,000. The match funding required for both schemes has been revised down to £322,000.

- 4.4 Revenue running costs for surveying/inspection functions within the Welsh Government Valleys Taskforce Empty Homes Scheme and full project management functions for the scheme will be met from fees generated in administering these grants.

## **5. Equality and Engagement Implications**

- 5.1 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.

- 5.2 An EIA Screening Form has been completed with the agreed outcome that a full EIA report was not required. The scheme does not negatively impact on any protected characteristic groups, with a number benefitting from these schemes including:

Poverty & Social exclusion – bringing back into use wasted empty accommodation for creation of low affordable homes , often for local first time buyers or renters in Valleys taskforce areas suffering from poverty and social exclusion.

Community cohesion – the scheme will see the re-use of often problematic long term empty properties in areas that have a negative impact on the locality and community, and often a haven for anti-social behaviour, drug and alcohol abuse.

Age and generations: the schemes offers locals the opportunity to enter the property ladder in the northern fringes areas of Swansea with the provision of additional affordable housing. Many applicants are expected to be first time buyers, giving local residents the opportunity to remain in the locality close to their extended families.

- 5.3 The Screening Form is included in the appendices as a background paper.

## **6. IT/Systems Implications**

- 6.1 None.

## **7. Legal Implications**

- 7.1 The schemes detailed are in line with local authority powers to provide assistance, contained in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and the Council's published policy.
- 7.2 The Council will need to ensure that it complies with any terms and conditions attached to Welsh Government Empty Homes schemes grant funding.
- 7.3 The Council are awaiting the grant award letters for both schemes and the report is seeking delegated powers to accept these grants when the grant awards are received from Welsh Government.

### **Background Papers:** EIA Screening Form

### **Appendices:**

Appendix A - Financial Implications summary Valleys Taskforce Empty Property grant scheme

Appendix B - Financial Implications summary Western Valleys Taskforce Empty Property grant scheme

Appendix C - Valleys Taskforce Boundary area.

**FINANCIAL IMPLICATIONS : SUMMARY**

**Portfolio:** Homes, Energy & Service Transformation  
**Service :** Housing and Public Health  
**Scheme :** Valleys Taskforce Empty Property Grant scheme

<b>1. CAPITAL COSTS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>TOTAL</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<u>Expenditure</u>					0
Scheme details : Provision of Valleys Taskforce grant funding to empty property applicants	400,000	0	0	0	400000
					0
					0
					0
<b>EXPENDITURE</b>	<b>400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>400,000</b>
<u>Financing</u>					
Welsh Government Valleys taskforce grant	260,000	0	0	0	260000
CCS match funding 35% contribution	140,000	0	0	0	140000
					0
					0
<b>FINANCING</b>	<b>400,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>400000</b>
<b>2. REVENUE COSTS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>FULL YEAR</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<u>Service Controlled - Expenditure</u>					
Employees	4000	0	0	0	4000
Maintenance					0
Equipment					0
Administration	4000	0	0	0	4000
<b>NET EXPENDITURE</b>	<b>8,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,000</b>

(Scheme administered by RCT council, surveying support services provided by LAs participating in the scheme, costs recovered from WG grant funding)

**FINANCIAL IMPLICATIONS : SUMMARY**

**Portfolio: Homes, Energy & Service Transformation**  
**Service : Housing and Public Health**  
**Scheme : Western Valleys Empty Property Grant scheme**

<b>1. CAPITAL COSTS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>TOTAL</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Expenditure					0
Scheme details : Provision of Valleys Taskforce grant funding to empty property applicants	520,000	0	0	0	520000
					0
					0
					0
<b>EXPENDITURE</b>	<b>520,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>520,000</b>
Financing					
Welsh Government Valleys taskforce grant	338,000	0	0	0	338000
CCS match funding 35% contribution	182,000	0	0	0	182000
					0
					0
<b>FINANCING</b>	<b>520,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>520000</b>

<b>2. REVENUE COSTS</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>FULL YEAR</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Service Controlled - Expenditure					
Employees	13000	0	0	0	13000
Maintenance					0
Equipment					0
Administration	13000	0	0	0	13000
<b>NET EXPENDITURE</b>	<b>26,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>26,000</b>

(Scheme to be administered by each individual LA participating, fees covering costs recovered through funding by WG grant funding)

# Appendix C : Valleys Taskforce Area

