



Report of the Cabinet Member for Homes, Energy and Service Transformation

Cabinet – 15 October 2020

Covid-19 Phase 2 Funding Application – Planning Guidance for Homelessness and Housing Related Support Services and Innovative Housing Programme Funding Phase 4 (IHP4) Applications

Purpose:	<ul style="list-style-type: none">• To seek retrospective approval for the application for Welsh Government Phase 2 Homelessness funding• To inform Cabinet of the outcome of the applications• To commit the schemes to the capital programme in line with the Council's Financial Procedure Rules• To seek retrospective permission for the Innovative Housing Programme Bids (IHP4) to support the Phase 2 capital schemes and three Optimised Retrofit Programme (ORP) bids
Policy Framework:	Homelessness Strategy, More Homes Strategy
Consultation:	Access to Services, Finance, Legal.
Recommendation(s):	It is recommended that Cabinet: <ol style="list-style-type: none">1) Approves the Phase 2 Homelessness bid projects set out in section 3.2) Approves the Innovative Housing Programme Bids (IHP4) to support the Phase 2 capital schemes and three Optimised Retrofit Programme (ORP) bids set out in section 5.3) Delegates authority to the Director of Place, the Chief Legal Officer and Chief Finance Officer to enter into any agreements necessary to ensure the delivery of the projects and to protect the Council's interests.

- 4) Delegates authority to the Director of Place and the Chief Finance Officer to recover all expenditure associated with the delivery of the projects from Welsh Government.
- 5) Any further decisions relating to the funding above will be delegated to the Director of Place and the Cabinet Member for Homes, Energy and Transformation, and schemes are detailed and approved via the revised 20/21 HRA Capital Budget report.

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1. Introduction

- 1.1 The Welsh Government (WG) issued new guidance to local authorities on 3rd June 2020, setting a requirement to produce “Phase 2 Transition Plans”. The fundamental aim is to ensure that everyone brought into emergency temporary accommodation during the pandemic is supported into long-term self-contained accommodation. This was underpinned by a fund of £20m to be spread across Wales, which local authorities were required to bid for by 30th June.
- 1.2 Following the submission of bids, it was clear that the initial funding pot was significantly oversubscribed and did not match the scale of the need identified by local authorities across Wales. Therefore, Welsh Government increased the amount for Homelessness Phase 2 funding to £50m to enable significantly more schemes to be supported.
- 1.3 Swansea has successfully bid for the following amounts (details of the schemes are in section 3).
 - Capital funding – £5,385,878
 - Revenue funding – £247,400
 - Total Grant Award for Phase 2 Homelessness Funding – £ 5,633,278

2. Local Priorities

- 2.1 During the pandemic, there has been a suspension of eligibility and priority need criteria that exists under current homelessness legislation. This means that the Council is housing everyone who requires temporary accommodation for this period, including households with No Recourse to Public Funds. This has led to a large increase in the numbers of people in Bed and Breakfast (B&B) and other temporary accommodation. It should be noted that each week people are moving through the system and are housed with appropriate support, but new homeless households are also being placed into temporary accommodation.

- 2.2 It is difficult to predict future numbers but there is strong evidence to suggest that pressure on homelessness services will significantly rise in coming months as a result of the pandemic. Particular pressures include:
- a lack of 1-bed properties;
 - an expected increase in evictions when the current eviction ban ends (due to end 20/9/20);
 - the end of the furlough scheme in October, which is expected to lead to increases in unemployment causing financial difficulties; predicted increases in levels of domestic abuse and family breakdown;
 - continuation of suspension of priority need;
 - and an increase in households requiring assistance following a Home Office decision on their immigration status.
- 2.3 Swansea's priorities for this funding have been to work closely with partners to maximise resources to provide intensive support to enable households to rapidly access and sustain long-term accommodation and increase the availability of affordable 1-bedroom properties in Swansea.

3. Phase 2 Funding Grant Awards

3.1 The timescales to develop and submit bids were incredibly challenging. However, in order to achieve the task, a strong partnership approach was adopted between the Council's Homelessness Service, Supporting People Team, RSLs (Pobl, Family Housing and Coastal), key homelessness and support organisations including The Wallich, Goleudy (formerly Caer Las), Crisis, Plattform, Health and Barod (substance misuse). Close working is continuing between the organisations who have received Phase 2 funding to ensure that all households in temporary accommodation are able to receive appropriate support and are housed in suitable accommodation as quickly as possible.

3.2 Revenue

All the revenue funding bids submitted by Swansea were successful, with the exception of a proposal to fund a Private Rented Leasing Scheme. The table below provides details of the services that will be funded between September/October 2020 and March 2021.

Scheme	Amount requested	Amount allocated
Crisis – Critical Time Intervention Team. 1xTeam Leader, 3xCTI Support Workers. (Regional Bid – 70% Swansea / 30% NPT)	£79,436	£79,436
Barod – Complex Needs Substance Misuse Worker x1	£17,458	£17,458
Health – Clinical Nurse Specialist (CNS) for Homeless & Vulnerable Adults x1	£13,500	£13,500
Health – Mental Health Outreach Nurse x0.5	£16,000	£16,000

The Wallich – Rapid Rehousing Workers x3	£77,282	£77,282
Goleudy (formerly Caer Las) – Rapid Rehousing Worker x1	£27,350	£27,350
Plattform – Asset Coach x1	£16,374	£16,374
The Wallich – Fund for PR Leasing Scheme	£50,000	Unsuccessful
TOTAL	£297,400	£247,400

3.3 Capital

Swansea has also been successful with a capital grant award and will receive a total of £5.339m. This will supply nearly 80 additional units of predominately 1-bed accommodation. The HRA led schemes of Creswell Road and the Circle will also provide some family accommodation.

3.4 The successful bids are summarised in the table below:

Scheme		Amount requested	Amount allocated
Local Authority: Purchase of 20 one- bed ex-council flats	HRA	£1,160,000	£1,226,829
Local Authority: Grant for Nominations	HRA	£200,000	£200,000
Local Authority – Creswell Road. New build of 4 x 1 bedroom flats, 3 x 2 bedroom bungalows and 2x 3 bed houses	HRA	£766,452	£702,355
Local Authority – the Circle/Cedar Crescent. New build 6, 2-bed bungalows	HRA	£763,311	£763,311
Local Authority - Bryn House Conversion and MMC construction 8 units	HRA	£544,011	£601,132
Pobl - Purchase of 20 existing 1 bed from open market or private developers	RSL	£1,500,000	£1,081,344
Family Housing - Improvements to existing TA (the Manse)		£86,650	Unsuccessful
Family Housing - Increasing TA (Slate Street)		£37,149	Unsuccessful
Family Housing - Increasing TA/permanent accommodation. Bar Reef 4 units	RSL	£276,486	£119,870
Family Housing - Increasing permanent accommodation. High Street 5 units	RSL	£253,999	£254,000
Family Housing - Increasing permanent accommodation. Eaton House		£15,938	Unsuccessful

Coastal Housing Increasing permanent accommodation. Conversion of detached property Killan road, Dunvant in 6 self-contained permanent units.		£255,920	Withdrawn
Coastal Housing Increasing TA: Construction of 4 self-contained modular units		£58,000	Withdrawn
Coastal Housing Increasing permanent accommodation: Conversion of commercial unit Leonard Charles House (6 units)	RSL	£691,017	£390,907
Goleudy (Caer Las Improving) Temporary accommodation Paxton St		£15,000	Unsuccessful
TOTAL		£6,623,933	£5,339,748

3.5 It should be noted that in some cases the capital grants allocated by WG are lower than the amount requested in the bids. This is because WG have applied their own standard viability model (SMV) to schemes to determine the amount of grant required (this is a new model that will be introduced as standard practice for all future social housing grant claims). All schemes are continuing with the lower grant levels. Where schemes were unsuccessful, WG's viability assessment was that no subsidy was required as the improvements should be funded through the existing income of the schemes.

4. Risks

4.1 The Phase 2 funding is short-term only. WG require that it is spent by 31 March 2021. They have made it clear that there will be no guarantee of any additional funding available. In particular revenue funding is time limited. Some of the revenue based bids have a plan for longer term funding, but some will only run until 31/3/21. However, they will supply much needed short term additional capacity and intensity to support during the pandemic. To mitigate the revenue risk Swansea's funding application was heavily weighted to capital investment. The deliverability of the capital schemes within such a short timescales is extremely challenging however WG have undertaken deliverability assessments with the lead organisation for each bid.

5. Innovative Housing Programme (IHP4) Bids

5.1 WG have announced the fourth round of IHP funding. IHP first 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. The External Funding Panel has previously approved bids for Phase 1, 2 and 3 of this funding, and Swansea Council has so far been successful in every round.

5.2 There are 2 elements to this current round of IHP4, innovation and an Optimised Retrofit Programme (ORP).

5.3 It is intended to submit bids for both streams of capital funding. The first application will link to the Phase 2 planning schemes for Cedar Crescent and Creswell road and if successful, will be used to top up the Phase 2 funding, to enable the addition of renewable technologies in line with the Swansea Standard Homes as Power Stations specification. This will include the addition of Solar PV roofs, Ground Source Heat Pumps, Mechanical Ventilation Units and battery storage. The indicative costs for this are £718,500 for the 15 properties. This includes an allocation of £5k per property for monitoring and valuation in line with WG IHP funding requirements. It is envisaged that WG will fund 100% of these costs.

5.4 Optimised Retrofit Programme Grant Bids

Bids have also been submitted for three ORP schemes for 9 properties in Felindre, 14 properties in Craigcefnparc and 12 properties in Garnswllt. Council has already approved a programme of works to upgrade property fabric and the option of pursuing external grant to seek gap funding to provide renewable technologies. If the bids are successful, it is proposed to adopt the principles of Houses as Power Stations (HAPS) used in earlier retrofit decarbonisation pilot projects to improve the thermal performance of the building and reduce carbon emissions with use of renewable technologies. The estimated start date for each ORP scheme is January 2021 with estimated completion in October 2021.

5.5 **Garnswllt** 12 x Traditional masonry cavity properties, Lon y Felin, Garnswllt. Gap funding bid of **£184,200** for contribution to renewable technologies and monitoring outcomes of the completed project.

Selection Criteria

- External elements at end of economic repair life & included approved HRA Housing Capital Improvement Programme
- Properties off grid and poor thermal performance
- Common archetype property where design improvements can be replicated on wider scheme roll out city wide at scale and pace.
- Opportunity to collaborate with in-house contractor, Building Services, to help train and develop technical and trade skills to build future expertise and capacity to roll out decarbonisation programme city wide to meet future statutory duty by 2030
- Reduce carbon emissions, residents energy bills and fuel poverty.

5.6 **Felindre** – 5 traditional masonry cavity properties Heol Myddfai, 4 System built concrete Airey properties Bwlch y Gwyn, Felindre. Gap funding bid of **£320,000** for contribution to renewable technologies and monitoring outcomes of the completed project.

Selection Criteria

- External elements at end of economic repair life & included approved HRA Housing Capital Improvement Programme
- Properties off grid and poor thermal performance

- Common archetype property which design improvements can be replicated on wider scheme roll out city wide. Design solution for Airey properties can be used by other social housing providers throughout Wales
- Opportunity to collaborate with an external contractor to develop innovative alternative fabric technologies which embrace principles of off-site manufacture to assist with delivering decarbonisation roll out programme at scale and pace to meet programme deadline of 2030.
- Reduce carbon emissions, residents energy bills and fuel poverty.

5.7 Craig Cefn Parc - 14 Resiform timber frame system built properties, Ffordd Ellen Craig Cefn Parc – 8 Council owned, and 6 private owners. Gap funding bid in sum of **£353,626** for contribution to renewable technologies and towards fabric upgrades for private residents outside the funding remit of the HRA. Owners are expected to contribute towards the cost of the repairs and works in association (prep, design etc.) to their home via a mix of direct contribution and accessing supporting grants e.g. R.H.I. or ECO. The grant being sought from ORP is £353,626 and this will be split as follows:

- ORP Grant for HRA properties: £196,000
- ORP Grant for Private: £157,626

Selection Criteria

External elements at end of economic repair life & included approved HRA Housing Capital Improvement Programme

- Properties off grid and poor thermal performance
- Unusual design of timber frame structure influences opportunity of a cross tenure grant bid to refurbish privately owned properties at same time as council owned properties, to deliver whole community benefit rather single tenure
- Design solution for Resiform properties can be used by other social housing providers throughout Wales
- Opportunity to collaborate with in-house contractor, Building Services, to help train and develop technical and trade skills to build future expertise and capacity to roll out decarbonisation programme city wide to meet future statutory duty by 2030
- Reduce carbon emissions, residents energy bills and fuel poverty.

6. Financial Implications

6.1 There are no financial implications for the revenue funding for Phase 2 as the funding will cover 100% of the additional service provision for the agreed timescales.

6.2 The Capital schemes awarded for the council will need to be match funded through the HRA capital programme. WG have used a Standard Viability Model (SMV) to determine the amount of grant needed for each scheme. The HRA contribution will be included in a separate FPR7 report which will amend the HRA Capital Budget for 20/21 to take into account the impact of Covid.

Scheme name	Estimated Scheme cost	Grant Awarded	HRA contribution
Purchase of 20 one-bed ex-council flats	£2,000,000	£1,226,829	£773,171
Grant for Nominations	£200,000	£200,000	£0
Creswell Road.	£1,321,469	£702,355	£619,114
The Circle/Cedar Crescent.	£1,316,055	£763,311	£552,744
Bryn House Conversion and MMC construction 8 units	£937,950	£601,132	£336,818
Total	£5,775,474	£3,493,627	£2,281,847

- 6.3 IHP4 Capital Bid for Renewable Technology to supplement Phase 2 capital funding will cover 100% of the proposed scheme costs. The grant conditions state that the scheme must be on site by April 2021.

Scheme name	Estimated Scheme cost	Grant Application	HRA contribution
Creswell Road	£431,100	£431,100	£0
The Circle/Cedar Crescent.	£287,400	£287,400	£0
Total	£718,500	£718,500	£0

- 6.4 ORP Capital Bid – grant contribution to schemes already In Capital Programme

Scheme name	Grant Application
Garnswllt	£184,200
Felindre	£320,000
Craigcefnparc	£353,626
Total	£857,826

7. Equality and Engagement Implications

- 7.1 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.

7.2 An EIA Screening Form has been completed and a full EIA report is not required at this stage (Appendix 1). The Council will use the WG funding that has been made available to enable Councils in Wales to support homelessness services during this crisis. The projects come under the Council's Homelessness Strategy, which was subject to a full EIA in 2018. The schemes will allow for support to be directed to the most vulnerable and will have a positive impact on any protected group which uses the service.

8. Legal Implications

8.1 The Town and Country Planning (General Permitted Development) (Amendment) (Wales) Order 2020 enables Welsh Local Planning Authorities to carry out development for specified purposes on their land in an emergency. For these purposes an emergency is an event or situation which threatens serious damage to human welfare in a place in the UK. Emergency Covid planning powers may need to be used to meet the terms of the funding.

8.2 The Council will need to ensure compliance with grant funding conditions, the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules in relation to the procurement of supplies, works and services referred to in this report.

Background Papers:

None

Appendices:

Appendix 1 - EIA screening form