

**NEATH PORT TALBOT COUNTY BOROUGH COUNCIL
SOCIAL CARE HEALTH & WELL-BEING CABINET BOARD**

25th JULY 2019

Report of the Head of Adult Services - Angela Thomas

Matter for Monitoring

Wards Affected: All Wards

Social Housing Grant (SHG) Housing Finance Grant (HFG) & Recycled Capital Grant (RCG) Programme 2018-21

Purpose of the Report:

To advise members of the 2018/19 Housing Capital Grant Programme Development Plan (PDP) Outturn and the planned expenditure programmed for the years 2019/20-2022/23.

Executive Summary:

The Retained Housing Service KPIs CP/30 & PI/278 set an affordable housing delivery targets for 2018/19 of 130 units. 135 units were delivered, 122 of which were Welsh Government (WG) Housing Capital Grant funded. This report informs Members of the detail in respect of that WG grant. Much of the background information in the report is unchanged from that tabled last year, for the benefit of Members not sitting on Scrutiny Committee or Cabinet Board last year.

Background:

SHG is a grant given to Registered Social Landlords (Housing Associations) by the WG. The purpose of the grant is to contribute to the cost of providing new affordable housing for rent or low cost home ownership through new build or the refurbishment of existing buildings.

SHG can be used to support:

- Schemes to increase the supply of affordable housing for rent;
- schemes for older & disabled people including Extra-care schemes;
- schemes to address low demand;
- schemes to support community regeneration;
- schemes for people who need support with independent living;
- Homebuy schemes to assist people to purchase a home; and
- Mortgage Rescue schemes.

In addition, a complementary HFG allocation has been made for 2019/20. HFG is paid over a 30 year period but can be used for the same purposes as SHG.

The WG makes a formulaic allocation to the County Borough and uses this to fund schemes that meet local needs and priorities, as identified by the Neath Port Talbot County Borough Council (the Council). To this end and in its capacity as Strategic Housing Authority, the WG tasks the Council's Retained Housing Service with managing a 3-year rolling PDP.

The WG determines which Housing Associations are eligible to routinely undertake SHG funded development in which Council areas.

Exceptions are allowed with specific WG approval but generally the Housing Associations thus "zoned" for Neath Port Talbot, and that have actively expressed an interest in developing locally, in recent years, are:

- Coastal Housing;
- Family Housing;
- First Choice;
- Linc Cymru;
- Pobl West; and
- Tai Tarian.

This is sometimes possible by simply giving strategic approval of development proposals Housing Associations bring to the Council, by including them in the PDP. However, Officers sometimes need to relatively prioritise such proposals.

It is also occasionally necessary to conduct a competitive selection exercise in respect of a particular scheme that the council wants developed by a Housing Association.

As the Council is neither the grantor nor grantee in respect of SHG, there are no prevailing local governance or wider regulatory/legislative criteria to apply to such undertakings.

However, notwithstanding any of the above, every effort is made to ensure that contributory Council processes meet the following fundamental minimum criteria:

- Transparency;
- equity;
- equality of opportunity; and
- objectivity.

All prioritisation or selection decisions are therefore made by a panel of senior managers from the Social Services Health & Housing and Development Directorates.

Furthermore, Officers report to Cabinet Board on the PDP submitted to the WG, annually, for Member's information.

2018/19 Outturn

The original WG allocations for the year were as follows:

SHG (£000s)	HFG (£000s)	TOTAL (£000s)
£5,709	£1,356	£7,065

The tables overleaf provides a summary of grant payments made by WG during the year:

SHG

Housing Association	Scheme Name	Payment
Coastal	Neath Town Centre	£576,597
Coastal	Parc Y Dderwyn Phase 6	£523,601
First Choice	Compton Road	£168,000
First Choice	Coed Parc	£48,932
First Choice	Greenwood Drive	£74,302
Tai Tarian	Parc Y Deri	£36,138
Pobl	Aberafan House	£183,000
Pobl	Lon Hir	£357,000
Pobl	Park Street	£516,049
Tai Tarian	Evelyn Terrace	£718,425
Tai Tarian	Llys Wern	£239,351
Tai Tarian	Llys Wern II (Phase 2)	£370,871
Tai Tarian	Moorland Road	£58,147.00
Tai Tarian	Parc Newydd	£2,057,000.
Total		£6,277,891

HFG

Housing Association	Scheme	Capital Equivalent
Coastal	Neath Town Centre	£434,860
Coastal	Park Y Dderwen (Phase 6)	£349,068
First Choice	Park Row	£101,397
Pobl	Lon Hir, Alltwen	£267,410
Tai Tarian	Moorland Road	£72,098
Tai Tarian	Parc Newydd	£131,000
Total		£1,355,833

To summarise: including the capital value of the Housing Finance Grant awarded (i), approximately £7.63m had been drawn-down by the end of the year vs the £7.07m originally in the PDP as at April 2017.

- (i) Housing Finance Grant is paid to Housing Associations over a 30-year period but shown in the PDP as a capitalised sum.

The additional spend was made possible by a further in-year allocation of projected pan-Wales slippage.

Planned Expenditure 2019/20-2022-23

The current indicative allocations for the period are as follows:

	SHG (£000s)	HFG (£000s)	RCG (ii) (£000s)	Total (£000s)
2019/20	4,966	695	150	5,811
2020/21	2,115	-	-	2,115
2021/22	1,496	-	1,000	2,496
2022/23 (balance c/f)	2,488	-	-	2,488
Total (£000s)	11,065	695	1,150	12,910

(ii) Recycled Capital Grant (RCG) is SHG that is recycled by a Housing Association usually following the sale of land or property.

These may change over time but are unlikely to reduce.

A summary of the most recently updated version of the Main programme of the 2019/20 Quarter 1 PDP submitted to the WG, for the period 2019/20 to 2022/23, is attached at Appendix 1.

There is currently an outstanding net balance of around £1.9m of SHG that needs to be allocated for draw-down during 2019/20 and as a result, most Housing Associations currently have no schemes in the PDP beyond the current year.

This is due to additional funding recently being made available by WG, and individual Housing Association programme changes recently reported: as well as the need to accommodate a large scheme of strategic importance and more optimally redistribute the current back-loading of allocation, in the case of certain schemes.

Senior Council SHG Allocation Panel members have already met with Housing Association Directors to discuss and agree how this will be done and Council Retained Housing Service Officers will be working closely with

all Housing Associations and Environment Directorate colleagues to ensure all monies are optimally allocated.

This work will be completed in time for the Quarter 2 PDP submission to WG, in early August 2019, to show 100% grant take-up.

Financial Impacts:

The proposed recommendation ensures that all available WG Housing Capital Grant is spent on local affordable housing development.

Integrated Impact Assessment:

There is no requirement to undertake an Integrated Impact Assessment as this report is for information purposes only.

Valleys Communities Impacts:

No detrimental impact.

Workforce Impacts:

No impact.

Legal Impacts:

No impact.

Risk Management Impacts:

No impact.

Consultation:

There is no requirement for external consultation on this item.

Recommendations:

No recommendations – for monitoring and information only.

Reasons for Proposed Decision:

N/A

Implementation of Decision:

N/A

Appendices:

Appendix 1:

Programme Development Plan for the period 2019/20 to 2022/23

List of Background Papers:

None

Officer Contact:

For further information on this report item please contact:

Angela Thomas, Head of Adult Services

E-mail: a.j.thomas@npt.gov.uk Tel: (01639) 763794

Robert Davies, Principal Officer Housing & Homelessness

E-mail: r.i.davies@npt.gov.uk Tel: (01639) 763288

Appendix 1

Programme Development Plan for the period 2019/20 to 2022/23

MAIN PROGRAMME

Scheme	Housings Association	Units	SHG £000	HFG £000	RCG £000	Total Grant £000	Drawn Down up to 2018/19 £000	Balance £000	2019/20 £000	2020/21 £000	2021/22 £000	c/f to 2022/23 £000
Melyn Close	Tai Tarian	20	1,117	-	-	1,117	-	1,117	1,117	-	-	-
Evelyn Terrace	Tai Tarian	10	801	-	-	801	718	83	83	-	-	-
Ynys Y Gwas	Tai Tarian	5	414	-	-	414	-	414	414	-	-	-
FCHA/1086	First Choice	3	280	-	-	280	168	112	112	-	-	-
FCHA/1119	First Choice	2	183	-	-	183	-	183	183	-	-	-
FCHA/1170	First Choice	8	668	-	-	668	-	668	-	668	-	-
Neath Town Centre	Coastal	28	1,100	-	400	1,500	-	1,500	-	-	760	740
Afan Way	Coastal	47	1,400	-	600	2,000	-	2,000	-	-	960	1,040
Coed D'Arcy	Coastal	50	3,124	695	150	3,969	-	3,969	1,078	1,447	776	668
			9,087	695	1,150	10,932	886	10,046	2,987	2,115	2,496	2,448