



Cyngor Castell-nedd Port Talbot
Neath Port Talbot Council

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

13 MAY 2021

Report of the Head of Adult Services - Angela Thomas

Matter for information

Wards Affected: All Wards

Welsh Government Housing Capital Grant Programme

Purpose of the Report

To advise Members of the Welsh Government (WG) Housing Capital Grant Programme Development Plan (PDP) Outturn for 2019/20 and 2020/21 and the planned expenditure programmed for the years 2021/22-2024/25.

Executive Summary

The Council's Retained Housing Service undertakes its Local Strategic Housing Authority functions and in this capacity is responsible for the management of the local WG housing capital grant programme. This report informs Members of the detail in respect of the implementation of that programme during 2019/20 and 2020/21 and the planned programme spend to 2024/25.

Background

Social Housing Grant (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.

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 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 Programme Development Plan (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; and
- Tai Tarian.

Light-touch management of the programme is often possible by simply giving implicit strategic approval of development proposals Housing Associations proactively bring to the Council, by including them in the

PDP. However, scarce resources sometimes require Officers 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 Directorate. Furthermore, Officers report to Cabinet Board on the PDP submitted to the WG, annually, for Member's information.

This was not possible during 2020 due to the pandemic so this report retrospectively covers the two preceding financial years.

Outturn 2019/20

The original allocation for the year was £3.74m.

The table below lists the actual grant payments made by WG during the year:

Housing Association	Scheme	Units	SHG
Coastal	Coed Darcy	42	£3,651,005
First Choice	Compton Road	3	£ 112,000

Tai Tarian	Station Road	6	£ 361,920
Tai Tarian	Evelyn Terrace	10	£ 82,608
Tai Tarian	Melyn Close	19	£ 933,807
Total		70	£5,141,340

To summarise, approximately £5.14m had been drawn-down by the end of the year vs the £3.74m originally in the PDP as at April 2019.

The additional £1.4m spend was made possible by a further in-year WG allocation of projected pan-Wales year-end slippage.

Outturn 2020/21

The original allocation for the year was £3.83m.

The table overleaf lists the actual grant payments made by WG during the year:

Housing Association	Scheme	Units	SHG
First Choice	The Meadows	1	£161,998
Pobl	Park Street Glyncorrwg	6	£65,668
Tai Tarian	County Flats	55	£3,780,951
Tai Tarian	Llys Wern III	5	£488,459
Total		67	£4,497,076

To summarise, approximately £4.97m had been drawn-down by the end of the year vs the £3.83m originally in the PDP as at April 2020.

The additional £1.14m spend was made possible by a further in-year WG allocation of projected pan-Wales year-end slippage.

Local Housing Market Assessment 2020

Work undertaken by Opinion Research Services (ORS) in 2019 assessed housing need across Mid & South West Wales and ORS produced a Housing Market Assessment for the region as well as a Summary of the Local Housing Market for Neath Port Talbot.

The assessment projected a need for an additional 1,037 units of affordable housing in Neath Port Talbot during the period 2018-33. This equated to the need for an average additional 69 units of affordable housing per annum, over the 15 years, to meet this need. Affordable housing is delivered by Housing Association both with and without SHG, sometimes working with private housing developers when planning obligations require them to make an affordable housing contribution.

Consequently, during the two years 2018 to 2020, a total of 324 units of additional affordable housing were delivered - 153 units in 2018/19 and 171 in 2019/20. Therefore to remain on target to deliver the projected level of required additional affordable housing, a further 713 units were needed between 2019/20 and 2032/33. This equated to an approximate average additional 55 units of affordable housing per annum.

Planned Expenditure 2021/22-2023/24

The current indicative WG allocation for NPT for 2021/22 is approx. £9.9m and WG officers are anticipating that this will remain the approximate level of annual allocation for the period 2022/23 to 2024/25.

Housing Associations are additionally required by WG to utilise their recycled housing capital grant reserves during this period and so the total programmed spend is likely to be around £49.4m.

The 2021/22 Quarter 1 PDP, for the period 2021/22 to 2024/25, is currently being prepared for submission to WG by mid-June but further detail cannot be provided until the future year indicative allocations are confirmed.

The latest rough draft version, however, suggests that somewhere in the region of an additional 600 of the 713 affordable housing units ORS projected to be needed by 2033 could therefore be delivered by 2025.

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

List of Background Papers

None

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