

Appendix 1



Social Housing Grant (SHG) Prospectus 2021



"Our Vision is that Housing in Neath Port Talbot will be appropriate, affordable, of good quality, in sustainable communities, offering people choice and support if they need it"

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Introduction:

Our Corporate Plan 2019-22 Shaping NPT says, *we want all people to live in suitable accommodation that meets their needs*. Not everyone is in a position to make this happen themselves by buying their own home or renting one from a private landlord.

This Prospectus sets out how we intend to use our management of the local Welsh Government (WG) Housing Capital Grant Programme to provide as much extra affordable housing as possible for those households:

- Of the right type;
- and the right size;
- in the right place.

Section 1 - Strategic Housing Priorities

Our Local Development Plan 2019-22 reinforces the Corporate Plan message by saying that *housing, and access to housing, is a fundamental aspect of life and impacts on all members of society regardless of age, race or status*. To this end, our Local Housing Strategy 2015-20 affirms that *our Vision is that Housing in Neath Port Talbot will be appropriate, affordable, of good quality, in sustainable communities, offering people choice and support if they need it*.

In order to achieve this, all local strategic housing partnership members are signed-up to working together to build the right homes, for the right people, in the right place, as a major contribution to the following strategic housing priorities:

- Preventing & relieving homelessness;
- providing C21st. housing options for older people;
- helping meet health & social care need; and
- contributing to the regeneration of our towns and valleys.

Section 2 - Housing Need, Demand and Priorities

The [Housing & Homelessness Strategy Council](#) webpage is where most strategic documents directly relevant to this Prospectus can be found but the most significant in terms of this section are the [Mid and South West Wales Regional and Neath Port Talbot Local Housing Market Assessments 2020 \(LHMA\)](#).

The Local Development Plan divides NPT into the following 8 areas:

- Afan Valley;
- Amman Valley;
- Dulais Valley;
- Neath;
- Neath Valley;
- Pontardawe;
- Port Talbot; and
- Swansea Valley.

The Housing Market Assessment work carried out by Opinion Research Services (ORS) across the Mid & South West Wales region in 2019 expresses its more specific NPT housing requirement findings in these terms but generally concluded:

- There has been a consistent increase in owner occupation over recent decades and a shift away from social rented housing to the private rented sector but the majority tenure is still owner occupation;
- the population is likely to increase, although not dramatically according to projections;
- the age profile is likely to change with an increased number of older people (aged 65+) and reduced numbers in most younger age bands;
- nonetheless, in part due to the reducing average household size, the number of households is projected to increase by 2,641 households (176 per year on average) over the 15-year period 2018-33; and
- there will likely be changes in the types of dwelling required across all tenures, notably an increase in two and three-bedroom properties in the market tenure and one and two-bedroom properties in the affordable tenures.

As a housing stock-transferred area with no common housing register or allocation policy, the Council does not have routine ready access to the housing need and supply data required to undertake a specific gap analysis in the prescribed timeframe for producing this Prospectus.

Alternatively, the specific conclusions of the ORS exercise, in terms of the need for additional affordable housing, are being used and these are summarised in the following tables:

Projected increasing overall affordable housing need between 2018 and 33 (in five year periods meeting initial backlog over first 5 years)								
	2018	Net Change 2018-23	2023	Net Change 2023-28	2028	Net Change 2028-33	2033	Net Change 2018-33
Afan Valley	956	-5	951	-7	944	-12	931	-24
Amman Valley	469	+9	478	+5	483	+2	486	+17
Dulais Valley	608	+13	621	+11	632	+7	639	+31
Neath	5,807	+139	5,946	+121	6,067	+85	6,152	+346
Neath Valley	896	+13	909	+9	918	+6	924	+29
Pontardawe	1,144	+49	1,193	+48	1,242	+38	1,280	+136
Port Talbot	5,632	+134	5,766	+120	5,887	+96	5,983	+351
Swansea Valley	774	+56	830	+52	882	+46	928	+154
	16,286	+410	16,695	+360	17,056	+267	17,323	+1,037

Projected increases in household bedroom requirements - 2018-33					
	1- bedroom	2- bedroom	3- bedroom	4+ bedrooms	TOTAL
Afan Valley	+0	-4	-20	-1	-24
Amman Valley	+15	+11	-9	-1	+17
Dulais Valley	+7	+15	+7	+1	+31
Neath	+171	+137	+37	+1	+346
Neath Valley	+13	+12	+4	-0	+29
Pontardawe	+51	+51	+29	+4	+136
Port Talbot	+95	+135	+115	+6	+351
Swansea Valley	+33	+71	+46	+4	+154
TOTAL AFFORDABLE HOUSING	+386	+428	+210	+14	+1,037

	Other Market	Potential Demand for Affordable Dwellings 2018-33			Total
		Intermediate dwellings		Social rent	
		Affordable Home Ownership	Intermediate Rent		
1 bedroom	+72	+5	+93	+292	+463
2 bedroom	+542	+13	+164	+264	+984
3 bedroom	+1,189	+5	+88	+121	+1,404
4 bedroom	+149	+1	+5	+9	+163
TOTAL	+1,952	+24	+351	+686	+3,013
Intermediate Merged Total	+1,952	+375		+686	+3,013
Intermediate Merged % of Total	65%	12%		23%	100%
Affordable Demand Social/Intermediate Split		35%		65%	

Modelled need for additional specialist affordable older person housing 2018-33	
Traditional Sheltered	400
Extra Care	100
Sheltered plus or enhanced sheltered	70
TOTAL	570

Modelled need for additional affordable wheelchair-adapted housing						
Households aged under 75			Households aged 75+			Overall change 2018-33
START	END	Net change 2018-33	START	END	Net change 2018-33	
670	710	40	320	340	20	60

The assessment projected a need for an additional 1,037 units of affordable housing in Neath Port Talbot during the period 2018-33.

Affordable housing is delivered by housing associations both with and without Grant, sometimes working with private housing developers when planning obligations require them to make an affordable housing contribution.

Consequently, during the three years 2018/19 to 2020/21, a total of 434 units of additional affordable housing were delivered - 153 units in 2018/19, 171 in

2019/20 and 110 in 2021/21 (this is an interim figure which may change slightly). Therefore to remain on target to deliver the projected level of required additional affordable housing, a further 603 units are needed between 2021/22 and 2032/33.

The current indicative WG allocations for the period 2021-24 are as follows:

Year	Allocation (£000s)
2021/22	9,829
2022/23	9,829
2023/24	9,829
Total	29,487

These may change over time but are not currently indicated by WG as likely to reduce. We are also probably going to have a carry forward grant figure of over £9m in March 2021, and Housing Associations are additionally required by WG to utilise their recycled housing capital grant balances during this period, so the total programmed spend is likely to be around £39m.

This expenditure is therefore programmed to deliver a further 448 of the 645 additional affordable housing units projected to still be needed. This is 74% of the total required in 36% of the time remaining to do so, leaving only 155 (26%) to be built during the 7 years 2025 to 2032/33 (64% of the time remaining to do so).

The HMA also identifies a need for 1,863 market homes over the period and as a result of housing associations providing mixed tenure developments some of this need will be met. A mixture of tenures and low carbon design and specification on larger housing sites, will contribute to meeting the need for affordable rented homes, as well as demand for shared ownership, whilst also making a contribution to the availability of market housing within NPT.

The HMA shows that there are a substantial number of private renters in NPT and that their rent levels are generally above Local Housing Allowance rates. Shared ownership may offer these residents the chance to get onto the housing ladder, in an affordable way not currently available to them.

The only caveat to thus supporting market housing development by housing associations is that the Council would expect to see any capital receipts gained, when shared owners increase their equity, re-invested in affordable housing in NPT.

An update of this Prospectus will be produced in 2022/23 and this will include a more detailed breakdown of what type and size of housing is still required and

where during the current Senedd term; hopefully informed by updated projections generated by the new HMA model being developed by WG.

Also, it should by then be possible to extrapolate any predicted need for additional homelessness temporary accommodation and/or other fixed-site specialist supported housing for other Housing Support Grant client groups, from the Council's Housing Support Programme Strategy, due to be in place by the end of 2021.

A summary of unmet additional housing need projected by ORS, by area, for the period 2021-33 is attached at Appendix 2.

Section 3 - Programme Development Plan Schemes

In its capacity as Local Strategic Housing Authority, the Council's Housing & Homelessness Service manages a three-year rolling WG Housing Capital Grant Programme Development Plan (PDP).

This has oftentimes been possible by simply giving implicit strategic approval of development proposals Housing Associations bring to the Council by including them in the PDP. However, in the context of finite capital resource allocation, the Council has sometimes needed to relatively prioritise competing routinely submitted proposals. Furthermore, it has occasionally been necessary to conduct a selection exercise in respect of a particular scheme that the Council has asked interested housing associations to submit proposals for.

As the Council is neither the grantor nor grantee in respect of the grant, there has been no prevailing local governance or wider regulatory/legislative criteria to apply to such undertakings. Nevertheless, in the spirit of openness and probity, the Council has employed the Assessment Framework attached at Appendix 1 to inform the decisions of an Allocation Panel comprised of senior Social Services Health and Housing Directorate managers, with others invited from relevant/interested other Directorates, when appropriate.

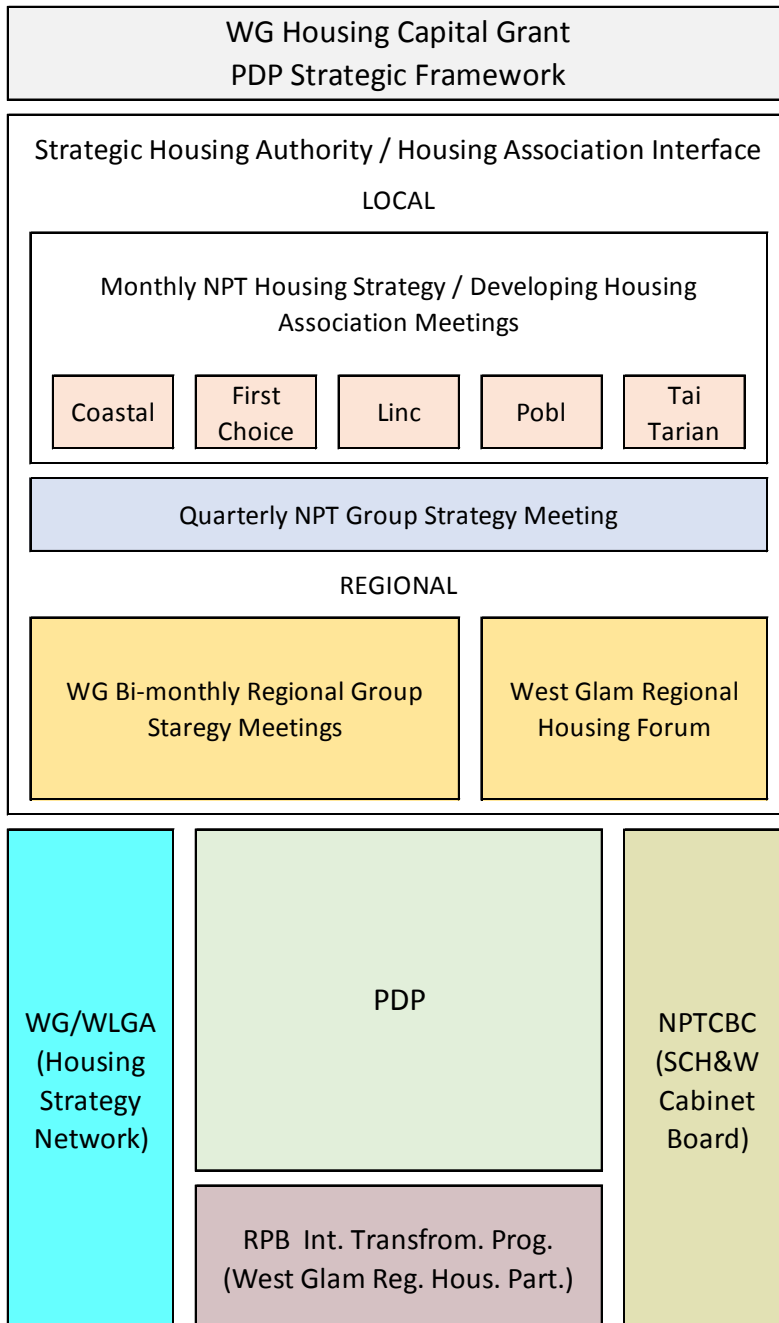
Following the announcement of the significantly increased local Grant allocations for the life of the current Sennedd term, all genuinely viable schemes held in Reserve at the end of 2020/21 were assessed using this framework and all found to be readily transferrable to the Main Programme in 2021/22. Consequently, it has been possible to at least nominally populate the entire 3-year PDP for the period 2021-24 'up-front' and retain an appropriately healthy carry-forward to 2024/25.

The timely initial and steady ongoing submission of new viable Reserves has therefore been encouraged and going forward, all Reserve and ad-hoc Main

Programme scheme proposals received will routinely be assessed using the Framework and if and necessary, prioritised by the Allocation Panel.

Section 4 - Monitoring and Governance

The diagram below sets out in simple/broad terms the various meetings and bodies that are involved in the local and regional monitoring and governance arrangements, in respect of the Neath Port Talbot PDP:



The frequency of the local meetings is indicated above and they are facilitated by the Council's Housing & Homelessness Service, with all developing housing associations invited.

WG and the Council's Regeneration and Planning Departments also routinely attend the quarterly meeting and the monthly meetings, as and when required.

There is a bi-monthly Mid & South West Wales Regional meeting, facilitated by WG, to which the PDP-managing service area of all Council's in the region are invited. The West Glamorgan Health & Social Care Integrated Transformation Programme also hosts both Regional Housing Partnership and Forum meetings. An associated purpose of these meetings is to identify and inform the West Glamorgan Regional Partnership Board of any opportunities for integrative/transformational SHG spend that would contribute to shared Health & Social Care priorities across the Swansea Bay University Health Board footprint; i.e. Swansea & NPT.

Appendix 1

Assessment Framework

Whenever it is necessary to relatively prioritise competing development proposals - i.e. whether in order to determine initial/ongoing routine inclusion in the PDP Reserve List or Main Programme, move schemes from the former to the latter when resources permit, or to undertake a competitive selection exercise - the following general assessment criteria will be applied.

In either instance, it may be necessary to apply further contextually specific criteria, in which case these will be separately determined and delineated.

Assessments are undertaken on the assumption that proposals will meet all applicable SHG design standards, acceptable cost guidelines, and other minimum requirements (allowing for when this is not possible due to the complexity of a scheme or the necessary additional cost of innovation).

Also and irrespective of zoning, no Housing Association will be eligible to deliver any scheme in the PDP unless they are consistently meeting all their obligations under any Nominations Agreement, joint lettings scheme, or other strategic housing partnership agreement(s), currently in force between them and the Council.

Proposals are scored using the following matrix:

Score	Criterion
0	No evidence has been provided that the criterion is met.
1	The evidence provided is significantly below that reasonably required to prove that the criterion is met.
2	The evidence provided is below that reasonably required to prove that the criterion is met.
3	The evidence provided is at the level reasonably required to prove that the criterion is met.
4	The evidence provided exceeds that reasonably required to prove that the criterion is met.
5	The evidence provided significantly exceeds that reasonably required to prove that criterion met.

A score of 3 is an indicator that the criterion is evidenced as met to the satisfaction of the assessment Panel.

Not all criteria in any category will be relevant to all proposals but it is expected that any proposals in the PDP has scored:

- A minimum score of 3 in Assessment Category 1;
- a minimum score of 3 in one other Assessment Category;
or
- a minimum cumulative score of 6 across the other 3 Assessment Categories;
and
- an Overall Score of at least 9.

Strategic Relevance

Notwithstanding anything outlined above, the Council reserves the right to not approve any proposal that Panel members agree conflicts with a wider strategic agenda.

In the same vein, the Council reserves the right to prioritise a proposal that on face value may score less than others competing for the grant available at the time because Panel members agree it makes an overriding significant contribution to a wider strategic agenda.

In any of the above circumstances, the reason will be recorded in as much detail as circumstances permit and communicated to any interested party, on request.

Assessment Categories

1: The general purpose of the proposal:

- A scheme to increase the supply of affordable housing for rent in an area where the Local Housing Market Assessment identifies an unmet need or for any other reason supported by the Council's Planning Department. (score weighted x 2);
- A scheme for older or disabled people supported by the Council's Social Service Department or Local Health Board (score weighted x 2);
- A scheme to address low demand supported by the Council's Housing Strategy Department;
- A scheme for people who need support with independent living supported by the Council's Social Service Department or Local Health Board (score weighted x 2); and/or
- A scheme to facilitate community regeneration supported by the Council's Property & Regeneration Section.

2: Innovation & partnership:

- An innovative/creative housing product (in demonstrably objective terms, cognisant of the fact that today's innovation/creativity is tomorrow's norm);
- Collaboration to deliver a scheme that could not otherwise be delivered;
- Prospective tenants of the development will be involved in its design and delivery, over and above that which would be expected as the norm (e.g. as in the case of bespoke, small-scale, specialised accommodation developments);
- Partnership working with local schools and/or colleges to introduce young learners to construction and/or housing as a career and/or the wider importance of the housing agenda; and/or
- Co-productive involvement of other local groups/partners.

3: Value for money

- Drives value for money within the local housing market;
- Specific quantitative and qualitative benefits (added value) which will accrue from the capital grant investment. (e.g. Section 106/Community Infrastructure Levy investment in Community Benefits and/or Targeted Recruitment and Training initiatives such as apprenticeships on projects);
- Housing Association and/or partner investment over and above the norm;
- Use/redevelopment of public land or property;
- Redevelopment of existing vacant housing or currently unused/under-utilised supported housing provision; and/or
- Additionally sourced capital grant and/or ongoing revenue funding.

4: Sustainability.

- Measures taken to engage with relevant commissioners to ensure that any service delivery within the development be funded in the long-term;
- The work of the project will be sustained/supported by the Housing Association and other partners;
- The proposal can accommodate future changing housing need;
- The proposal will lower carbon emissions beyond the current regulatory minimum standards;
- The proposal will reduce energy use and thus energy costs for occupants; and/or
- The proposal contributes to "Keeping the Pound Local" by making use of locally-sourced materials and components (i.e. within c25 miles)

Appendix 2

Summary of projected additional housing need 2021-33:

Area	Size	Tenure		
		Intermediate	Social	Total
Neath & valleys (total = 323)	1-bed	53	99	152
	2-bed	46	85	131
	3/4-bed	14	26	40
Pontardawe & valleys (total = 253)	1-bed	28	51	79
	2-bed	37	69	106
	3/4-bed	24	44	68
Port Talbot (total = 281)	1-bed	27	49	76
	2-bed	38	70	108
	3/4-bed	34	63	97
	Total	301	556	857

Area	Size	Tenure	
		Intermediate	Social
Neath & valleys	1-bed	16.4%	30.6%
	2-bed	14.2%	26.2%
	3/4-bed	4.3%	8.0%
Pontardawe & valleys	1-bed	11.0%	20.1%
	2-bed	14.6%	27.2%
	3/4-bed	9.4%	17.3%
Port Talbot	1-bed	9.6%	17.4%
	2-bed	13.5%	24.9%
	3/4-bed	12.1%	22.4%