

BRIDGEND COUNTY BOROUGH COUNCIL

**REPORT TO COMMUNITY, ENVIRONMENT AND LEISURE OVERVIEW AND
SCRUTINY COMMITTEE**

27 SEPTEMBER 2016

**REPORT OF THE CORPORATE DIRECTOR, OPERATIONAL AND
PARTNERSHIP SERVICES**

**HOMES IN TOWN GRANTS (HITS) - PRIVATE SECTOR HOUSING RENEWAL AND
DISABLED ADAPTATIONS POLICY**

1.0 Purpose of Report

- 1.1 The purpose of the report is to update the Committee on the 'Homes In Towns' (HiTs) grant; to provide the details of applications received; and explain the application process. The report will also advise Members of any barriers and issues in administering the grant and how the service has, and intends to respond to these.

2.0 Connection to Corporate Improvement Objectives/Other Corporate Properties

- 2.1 The Homes in Town grant assists the Council in meeting all three of its Corporate Plan priorities:-
- Supporting a successful economy
 - Helping People to be more self-reliant
 - Smarter Use of Resources

3.0 Background

- 3.1 Cabinet received a report on the 12th. November 2013, to approve an amendment to the Private Sector Housing Renewal and Disabled Adaptations Policy to include the introduction of two new grants, and the revision of existing grants. Homes in Town Grants were introduced as a new grant at this time. The purpose of the grant is to encourage the development of residential accommodation in Bridgend town centre. Many properties within the town centre have vacant and redundant space, particularly above retail premises, and this grant seeks to assist owners to bring this redundant empty space back into use for residential purposes, thereby creating vibrancy in the town centre, whilst at the same time providing affordable housing for those who work in, or require to be close to, the town centre.

- 3.2 The grant provides assistance for internal works to create affordable homes, and external works to create separate entrances to access accommodation above shop frontages as well as addressing some external works, where these works would not be eligible for Townscape Heritage Initiative (THI) or Town Improvement Grant (TIG).
- 3.3 Also included in the amended Policy was the availability for assistance to Registered Social Landlords (RSLs) for Strategic Regeneration. This discretionary grant aims to support the long term renewal and regeneration of properties to assist the Council's strategic aims. The grant is available for strategically important buildings/property throughout the County Borough, to secure additional affordable housing and to tackle empty properties in areas of housing need and to assist in regeneration schemes.
- 3.4 Welsh Government approved a £5.98 million grant for Bridgend town centre under the Vibrant and Viable Places (VVP) framework for the period 2014/15-2016/17. As part of the overall funding package to meet VVP, the HiTs scheme was submitted as match funding in the bid of £390,000 (grant) and £260,000 (private finance) to provide 14 units of accommodation.

4.0 **Current Situation/Proposal**

Progress on Implementation

- 4.1 **Marketing:** Officers have actively encouraged expressions of interest in the HiTs scheme and have undertaken a number of exercises in order to attract the maximum interest. These have included:
- Three mail shots, hand delivered to every single property within the area covered by the HiTs scheme;
 - Letters and advertising material has been sent to the individual owners of each property in the Town Centre;
 - Advertising material has been distributed to all estate agents operating in Bridgend and also to property auctions;
 - Advertising material has been distributed to local DIY shops;
 - Advertising material has been distributed to local architects, agents and builders who have previously undertaken grant work;
 - Officers have attended and distributed material at the Bridgend Landlord Forum, including presentations on the scheme to landlords directly; and
 - Mail shot has been included in Council Tax paperwork.
- 4.2 Council officers are currently undertaking a further leaflet drop to the properties within the Town Centre to advertise the scheme. This will be the fourth occasion such an exercise has been completed with the objective to increase HiTs potential take up. The HiTs scheme will again be promoted to the Bridgend Landlord Forum in October 2016.
- 4.3 **Progress:** To date the Council has received 11 expressions of interest/enquiries in relation to the HiTs grant. Of the 11 enquiries received 5

have not progressed further. The reasons for withdrawals are varied; one enquiry was from a person who was not the owner of the property, and two owners felt the work costs were prohibitive following a Council survey, one property did not meet building regulations and one owner did not respond following a number of repeated attempts to contact.

- 4.4 There are a number of stages between enquiry and approval of application and these are outlined in the flow chart at Appendix 1. Despite encouragement and assistance from Council officers applicants can, and have, withdrawn at various stages throughout this process.
- 4.5 **Risks, issues and mitigation measures:** Other issues that have been raised by property owners as reasons why they have not pursued further their enquiry or application have been;
- That the Town Centre is within the flood plain area and that there are strong objections from Natural Resources Wales against residential use;
 - That properties in the Town Centre are required to have a retail/commercial use on the ground floor;
 - That there are a lack of suitable/reliable builders;
 - That the level of work indicated from survey is more expensive than owners envisage/are prepared to commit, e.g. the requirement to fit a sprinkler system;
 - Owners do not want to lose commercial floor area or want the disruption of creating a separate access to the residential units; and
 - That there are expensive 'up-front' costs and that the grant can only be paid for work undertaken and not in advance.
- 4.6 Whilst all these reasons can be addressed and officers try to allay them, it is often enough to put off some potential owners from pursuing the grant further. Up-front costs such as costs incurred for design and the submission of Planning Applications can be reimbursed as part of the grant in the first interim payment. The Council provides a list of Agents who carry out such work on behalf of grant applicants. Agents may be prepared to wait for their fees as part of the first interim payment; however the planning authority fees are payable by the applicant on submission.
- 4.7 Currently there are six property owners who have expressed an interest in pursuing this grant funding, the details of which are set out in 4.15. Officers are in regular contact with the owners to assist and encourage them to proceed with their applications, however, no grants have been awarded to date.
- 4.8 One enquiry received is for a larger scale redevelopment of accommodation, up to 15 units. This is in excess of the maximum grant assistance allowable currently under the HiTs criteria as indicated in the Private Sector Renewal and Disabled Adaptations Policy (PSRDAP).
- 4.9 **Acoustic Survey:** As part of the Planning process an assessment of the impact of noise is required. This requirement is for the properties to have specialist assessment, technical advice and testing with regard to the

acoustic/noise mitigation requirements of the accommodation. This requirement has been highlighted by owners of properties as a major stumbling block in bringing the properties into use as the assessment will cost the applicant up front, with no guarantee that Planning will be forthcoming or that the required work will not be too prohibitive.

- 4.10 Therefore, in order to enable these potential applications to proceed, and meet our obligations for match funding, a specialist contractor has been appointed by the Council to undertake this requirement, thereby reducing the emphasis on the individual property owner and also speeding up the process. To date three property owners (creating 6 units) have taken this up with the intention of submitting a formal application in the near future.
- 4.11 Discussions have taken place with Public Protection, to address the issue of noise in the town centre as this was preventing development taking place. The planning authority looks at each town centre scheme on its own merits, and forms a balanced view of the overall merits of the development taking place, including the regeneration impact, rather than allowing the issue of noise nuisance to trigger an automatic refusal.
- 4.12 **Boundary Extension** - Whilst the original boundary for HiTs eligible properties has been extended to include the 'core' Town Centre area, officers have received a number of enquiries from owners of accommodation on the periphery and/or outside the current boundary of the HiTs scheme, but who are within the larger town centre area or within easy walking distance. Currently, these would not qualify for HiTs assistance (although they may qualify for other grant assistance, such as Empty Property Grant).
- 4.13 Cabinet will receive a report recommending any amendments to the HiTs grant and also recommend extending the area covered by the grant assistance to include those properties that are within walking distance of the town centre and which would supplement the vibrancy of the town centre. To ensure BCBC makes best use of the resources that they are committing to the HiTs Scheme, Committee are asked to comment on whether consideration of the HiTs scheme should be to alleviate housing pressures for existing and identified service users by helping people to be more self-reliant. In particular meeting the need for those leaving care, including making provision for post-18 living arrangements under the Social Services And Well-Being (Wales) Act 2014 (Part 6 Looked After and Accommodated Children).
- 4.14 **Assistance to Registered Social Landlords (RSLs) for Strategic Regeneration** - In line with 3.3 above, the Authority is in discussion with RSLs and a third sector organisation who are currently examining the potential of, or are in the process of purchasing and redeveloping empty properties and land in and around the town centre. Any scheme assisted under this grant funding will be subject to full nomination rights as outlined in the Social Housing Allocation Policy (SHAP) in place at the time of nomination as its intention is to provide much needed affordable accommodation and meet our match funding obligations under VVP.

4.15 Summary of Schemes

Provider	Units	Est'd Grant Value	Est'd Private Finance	Status	Planning Permission Submitted	RAG
Private Owner	2	£50k	£30k	Acoustic Survey has been undertaken and recommendations made	Yes	G
Private Owner	3	£60k	£40k	Acoustic Survey has been undertaken and recommendations made	Yes	G
Private Owner	1	£30k	£20k	Officers have met with the owner to finalise the HiTs application	None required existing use	G
Private Owner	1	£30k	£15k	Acoustic Survey has been undertaken and recommendations made	Intention to submit when acoustic survey completed	A
Private Owner	15	£450	£250k	Unable to approve grant value under current Policy	Yes	A
Private Owner/RSL	10	£150k	TBD	Owner in discussion with RSL to potentially purchase, however issue over access/ownership	Granted	A
RSL	10	£150k	TBD	Unable to approve grant value under current Policy	Planning Submission being worked up by RSL	A
RSL	2	TBD	TBD	Amendment to Policy/boundary required	Costing being undertaken with view to submit planning submission	R
Third Sector	4	TBD	TBD	Amendment to Policy/boundary required	Application will be submitted once purchase complete	R
WG Match funding requirement	14	£390,000	£260,000			

4.16 Committee are asked to acknowledge the effort made by officers to progress schemes under the HiTs and assistance to RSLs for Strategic Regeneration. Should the above schemes proceed or any new schemes come forward, BCBC have received confirmation from WG that the approval of HiTs funding together with Planning Permission being granted will be sufficient to meet the terms of

the VVP requirements on outcomes and match funding as outlined in the VVP bid document.

- 4.17 Should there be insufficient schemes approved to meet our obligations for match funding, as highlighted to Committee on 27th January 2016 discussions have also taken place with WG over the potential to use the Council's capital allocation for HIT's against a town centre scheme under the proposed Building for the Future Programme (BFF).

5.0 Effect Upon Policy Framework and Procedure Rules

- 5.1 None

6.0 Equalities Impact Assessment

- 6.1 A full EIA will be undertaken when the Policy is reviewed and updated.

7.0 Financial Implications

- 7.1 Funding for the existing grants is identified in the Council's capital programme as Housing Renewal / Disabled Facilities Grants. Grants can only be awarded up to the level of available funding within any financial year.

8.0 Recommendation

- 8.1 It is recommended that Community, Environment and Leisure OVSC consider and discuss the content of the report and provide any comments.

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Background Documents: None

HiTs Grant Flow Plan

