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| Meeting of: | SUBJECT OVERVIEW AND SCRUTINY COMMITTEE 3 |
| Date of Meeting: | 2 DECEMBER 2024 |
| Report Title: | HOUSING AND HOMELESSNESS UPDATE |
| Report Owner / Corporate Director: | CHIEF OFFICER – FINANCE, HOUSING AND CHANGE |
| Responsible Officer: | MARTIN MORGANS HEAD OF PARTNERSHIP AND HOUSING |
| Policy Framework and Procedure Rules: | There is no effect upon the policy framework and procedure rules. |
| Executive Summary: | <p>This report provides members of Subject Overview and Scrutiny Committee 3 with an update on key areas of housing and homelessness, including;</p> <ul style="list-style-type: none"> - Affordable Housing - Empty Homes - Housing Support Programme Strategy - Housing Support Grant Uplift |

1. Purpose of Report

- 1.1 The purpose of this report is to update Subject Overview and Scrutiny Committee 3 on key areas of housing and homelessness, including progress on the delivery of affordable housing, reducing empty homes, funding for Housing Support Grant funded services and progress in delivering on the objectives set out in Bridgend County Borough Council's (BCBC's) Housing Support Programme Strategy.

2. Background

- 2.1 In December 2023 Cabinet approved the adoption of a Housing Support Programme Strategy (HSP Strategy). The strategy was developed, following a comprehensive review and a period of public consultation, including a report to Subject Overview and Scrutiny Committee 3 in September 2023.

2.2 The HSP Strategy highlighted some key challenges facing the Council in delivering housing and homelessness services. These are summarised below:

- Increasing homelessness applications. Applications are consistently higher than in previous years. In 2023-24 1,006 homelessness applications were received. 67% of these applications were from single person households.
- Temporary accommodation placements have grown exponentially. At the end of 2019-20 BCBC were providing temporary accommodation to 83 households. At the end of October 2024 temporary accommodation was provided to 248 households, representing a 199% increase over this period.
- Individuals accommodated in temporary accommodation often have significant support needs, in relation to addressing their housing need or maintaining accommodation. Based on analysis undertaken in 2022 it is estimated that around 47% of households in temporary accommodation require some level of support. Housing Support Grant service outcomes suggest that ,of those that do require support, 60% of individuals require support in more than one area and 45% require support in more than two areas.
- The increase in temporary accommodation placements has led to a significant cost pressure to the Council. In 2019-20 the net spend on temporary accommodation from core budget was £135,260. At the end of 2023-24 the net spend from core budget was £3,096,559.
- The wider demand for social housing from those in housing need has also increased. At the end of 2019-20 there were 816 households registered on Bridgend's Common Housing Register. At the end of August 2024 this number had increased to 3254 households. There is a particular challenge around single person accommodation, larger family units and accessible accommodation.

2.3 One year on from the adoption of the HSP Strategy section 3 of this report will provide updates on key areas of progress, including in relation to the delivery of affordable housing, reducing empty homes and funding for Housing Support Grant funded services.

3. Current situation / proposal

Affordable Housing

3.1 The Bridgend Replacement Local Development Plan 2018-33 (LDP) was adopted in March 2024. During the plan period development proposals within the LDP are expected to deliver a target total of 1,711 affordable dwellings across the county borough.

3.2 The primary capital funding stream for the development of affordable housing is the Social Housing Grant (SHG). In recent years this has been supplemented by the Transitional Accommodation Capital Grant (TACP). On 28 July 2022 the Welsh

Government launched the £65 million TACP to support a wide range of projects by local authorities and registered social landlords to create extra housing capacity across Wales.

- 3.3 This funding seeks to deliver schemes more quickly by being flexible on things such as space standards, types of accommodation funded, acquisition of properties, and the acceptance of a 'meanwhile' use for refurbished buildings or undeveloped sites for a short/medium period of time. In 2023-24 £4.25 million of TACP was invested in Bridgend, creating an additional 41 units of accommodation. BCBC's TACP allocation for 2024-25 is £4.5 million, which will create an additional 30 units of accommodation.
- 3.4 SHG is the main capital grant provided by Welsh Government to fund the provision of affordable housing in Wales. Registered Social Landlords (RSLs) and Councils can access this funding for the provision of building new homes and the rehabilitation of existing buildings to provide homes at social and intermediate rent.
- 3.5 Expenditure of the SHG is approved and decided by Welsh Government after a series of concept, financial and technical scrutiny processes. The development journey can cross over several years to deliver. In 2023-24 £11,803,167 of spend was allocated to RSLs. This grant is provided for local housing development over a rolling 3 year programme called the Programme Delivery Plan (PDP).
- 3.6 In the current main programme, there are 370 homes in development which equates to £53,595,422 of SHG. The PDP is fluid and updated every quarter; it is estimated that the proposed number of new homes will increase beyond that currently committed in the programme. The Committee should note this is a guide as to the current PDP and this is likely to change over time, for example we expect new schemes to be added and amendments to existing schemes.
- 3.7 Monthly meetings with RSL partners are key to taking forward the above referenced funding streams and developments. A Bridgend Housing Partnership consisting of senior officers within the Council and RSLs ensures strategic oversight and quarterly meetings with colleagues in Welsh Government also support this area of work.
- 3.8 S.106 agreements, as set out in the Town and Country Planning Act 1990 are negotiated with private developers, as part of statutory planning decisions and require private developers to carry out specific obligations. Examples include a developer providing units of accommodation to be made available for the purpose of affordable housing or a financial contribution to the Council to mitigate the impact of development. BCBC's position is always to seek the delivery of affordable units on-site, wherever possible.

Empty Homes

- 3.9 There are several strands of work in this area, with the aim to reduce empty properties across the county, to contribute towards the availability of housing. BCBC's Empty Property Strategy sets out the Council's intentions for bringing empty properties into beneficial use. The Council's current Empty Property Strategy is currently in the process of being renewed, with the intention of a new strategy

being developed in the near future. An Empty Property Coordinator and corporate Empty Property Working Group oversee this work.

3.10 Key strands of work in this area are summarised below:

- **Houses into Homes Empty Property Loan Scheme.** This is an interest free loan available to empty property owners that wish to improve the condition of their empty property with a view to renting it on the private market or selling it on.
- **Owner Occupier Empty Property Grants.** Empty property owners can apply for a grant of up to £25,000 to assist them to renovate their property to make it safe to live in and improve their energy efficiency. This is available for owners wishing to live in their empty property once the work is completed.
- **Transforming Towns Enforcement Fund.** In October 2024 Cabinet approved entering into interest free loan agreements for the purpose of accessing loan funding. This funding will enable the Council to proceed with two enforced sales and one compulsory purchase of long term empty properties. Future applications to the fund will be considered on a case by case basis.

3.11 The Empty Property Working Group puts a particular focus on 20 empty properties of most concern at any one time. These properties are determined after consideration of set criteria, including the length of time the property has been empty, the condition and the appearance. In 2023-24 of the 20 properties of most concern:

- **2** properties have been **sold**
- **2** properties are under **renovation**
- **2** properties have completed **probate**
- **2** properties have been served with an enforcement **notice**
- **3** property owners have been **successfully prosecuted** for non-compliance with an enforcement notice
- **1** property has been subject to **work in default**
- **1** property is subject to a **compulsory purchase order**, which is pending Cabinet approval in December 2024
- **8** properties are subject to **informal action**
- **3** properties are subject to no action at this stage.

(Please note that some properties may be subject to multiple actions).

3.12 In 2023-24 6.8% of all empty properties which had been empty for 6 or more months as of the 1st April 2023 were returned to use with direct action from the Council. In the same period 6.3% of all empty properties which had been empty for 12 or more months were returned to use with direct action from the Council.

3.13 In relation to Churches and Chapels the borough has a significant number of vacant and derelict churches and chapels, a problem that is faced by most Local Authority areas in Wales and an issue recognised by Cadw and other stakeholder

organisations in the historic environment. BCBC has no current programme or resource dedicated to the reuse of these historic buildings. As the majority are in private ownership and do not have a Class C3 residential use, officer engagement is often owner led, on an ad hoc case by case basis, via its statutory duties.

Housing Support Programme Strategy

- 3.14 As detailed at paragraph 2.1 the Council adopted a HSP Strategy in December 2023. The strategy includes an Action Plan, which details objectives, actions and timescales, linked to six strategic priorities. Key areas of progress taken forward in the last 12 months are detailed below:
- 3.15 **BCBC purchase of accommodation.** In March 2024, Cabinet approved a proposal, authorising the acquisition of Housing in Multiple Occupation (HMO) style properties for the purpose of providing temporary accommodation. Since March 2024 work has taken place alongside the Corporate Landlord department to purchase two properties, with a third purchase currently in progress. All three properties are HMO style properties. The average purchase price is £300,000. Capital funding has been provided via S.106 funding, as contained in BCBC's capital programme. Once the third property is purchased the three properties will deliver 16 units of accommodation to single persons.
- 3.16 Purchase of these properties has enabled BCBC to deliver increased temporary accommodation units directly. An agent has been appointed to support with day-to-day management of the accommodation. Individuals are supported via housing related support services, where necessary, to support move on as soon as possible. From a cost perspective delivery of these units costs around 70% less than the average alternative in a tourism style property. In September 2024 Cabinet approved a further three purchases to scale up the benefits of this work.
- 3.17 **Maple Tree House.** In addition to the purchase of new accommodation, work has been taken forward in recent months to utilise an existing BCBC owned building, Maple Tree House, to further increase the Council's stock of temporary accommodation.
- 3.18 After a vacant period, the building was re-opened in August 2024 to provide temporary accommodation. To support ongoing delivery, a housing related support provider has been commissioned to provide on-site support 24/7. Several improvements have also been made to the building, including CCTV, fob access, privacy windows and improved perimeter fencing. The building will provide 9 units of accommodation, again enabling less reliance on other types of accommodation and supporting cost reduction.
- 3.19 **Leasing Scheme Wales.** In November 2023 Cabinet approved the implementation of Leasing Scheme Wales in the borough. The scheme enables the Council to lease properties from private landlords and owners of empty homes.
- 3.20 All properties made available through the scheme are let to tenants with the intention that good quality accommodation is available on an ongoing basis, providing longer term security of accommodation. Properties are prioritised for

households who are homeless or threatened with homelessness, to reduce the need for temporary accommodation.

3.21 In return for leasing their property to the Council property owners receive:

- Guaranteed rent for the length of the lease at the relevant Local Housing Allowance rate.
- Where necessary, a grant of up to £5,000 to bring properties up to an agreed standard. Additional grant funding of up to £25,000 is available for long term empty properties.
- Management of properties for the length of the lease, including property inspections, repairs, and maintenance Support to tenants throughout the tenancy.

3.22 Bridgend Leasing Scheme Wales went live in early 2024. Since going live we have had 135 queries from property owners. There are currently 6 properties which are live and occupied by individuals who would otherwise be in temporary accommodation. A further 14 properties are currently going through the process of being considered for the scheme.

Housing Support Grant Uplift

3.23 The Housing Support Grant (HSG) is a key and long standing funding stream for housing related support services. It is an early intervention grant programme to support activity which prevents people from becoming homeless, stabilises their housing situation, or helps potentially homeless people to find and keep accommodation.

3.24 For 2024-25 Welsh Government provided an additional £13 million uplift across Wales, distributed in line with the existing HSG distribution formula. For BCBC this meant an uplift of £610,661. BCBC's total HSG allocation for 2024-25 is £8,572,183.86.

3.25 The Cabinet Secretary for Housing and Local Government allocated this additional funding with the clear expectation that this should be used to address pay pressures across the sector in the first instance and assist commissioners in supporting providers to deliver on Welsh Government's broader commitment to Fair Work and the Real Living Wage. This is in acknowledgement of the importance and value of the workforce and to support the sector in achieving the Real Living Wage. In Bridgend 72% of HSG funding is used to commission services via third sector providers. Commissioning arrangements are undertaken in line with BCBC's Contract Procedure Rules.

3.26 Following notification of the uplift and expectations, engagement took place with HSG commissioned providers on a one to one basis. Through engagement we sought to understand the position with regards to providers' current funding, in particular whether funding is sufficient to ensure contracts are not in a deficit position. This work established that whilst some contracts are adequately funded, a number of contracts were in a financial deficit to varying degrees. Where a contract deficit was identified work was undertaken to ensure this is a genuine position and to explore all options to resolve, including maximising all funding streams and restructuring staff teams.

3.27 In July 2024 to ensure no HSG commissioned contracts are in a deficit position Cabinet approved contract uplifts to support providers effective from 1st April 2024 and in place for the remaining lifetime of the contract. The total value of the uplifts is £274,605.92 per annum. The remainder of the HSG uplift funding not required to increase contracts (£336,055.08 per annum) has been allocated in accordance with existing processes, with governance via a cross directorate Lead Forum, Chaired by the Chief Officer – Finance, Housing and Change.

4. Equality implications (including Socio-economic Duty and Welsh Language)

4.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh Language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

5.1 Tackling homelessness is a Welsh Government priority. The report contributes to the following goals within the Well-being of Future Generations (Wales) Act 2015:

- A prosperous Wales – Reducing homelessness supports a prosperous Wales by reducing cost to the public purse.
- A resilient Wales – Our Housing Support Programme Strategy aims to prevent and relieve homelessness, increasing the resilience of both individuals supported and the general structures in place to support the goal of achieving a position where homelessness in Wales is rare, brief and non recurrent.
- A Wales of cohesive communities – Preventing individuals from becoming homeless will support cohesive communities.
- A globally responsive Wales – Homelessness is an issue across the globe. These strategic documents set out the approach Bridgend will take to support Wales in its efforts around this agenda.

5.2 It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

6. Climate Change Implications

6.1 The prevention and relief of homelessness supports the agenda around climate change. In considering BCBC's housing need, supply and demand and the intention of delivering affordable housing schemes to meet these needs, schemes will be developed in line with Welsh Government planning and standards requirements, which support moves to tackle climate change.

7. Safeguarding and Corporate Parent Implications

7.1 Homelessness and housing support services play a key role in supporting BCBC's safeguarding agenda, both from an individual perspective with services often supporting vulnerable individuals, known to safeguarding agencies.

7.2 The priorities set out in the Housing Support Programme Strategy reference a need to improve collaboration with key stakeholders, with specific objectives around improving collaboration to implement the national care leavers and accommodation and support framework, a key part of Corporate Parenting implications.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 It is recommended that Subject Overview and Scrutiny Committee 3 consider and provide comment on this report.

Background documents

None