



## **CABINET – 22<sup>ND</sup> FEBRUARY 2023**

**SUBJECT: NATIONAL EMPTY HOME GRANT**

**REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES AND HOUSING**

### **1. PURPOSE OF REPORT**

- 1.1 To inform members of the new Welsh Government National Empty Home Grant which is the successor of the Valley Task Force Empty Home Grant (VTF EHG). Outlining the purpose, scale, and timing of the grant.
- 1.2 To note the “in principle” support received from Corporate Management Team to participate in the grant programme launching in January 2023.
- 1.3 To seek Cabinet approval of Caerphilly Homes participating in the fund and agree the Council’s financial contribution.
- 1.4 To seek Cabinet approval of funding the Empty Property Team for an additional 2 years until October 2025

### **2. SUMMARY**

- 2.1 The Welsh Government (WG) are replacing the Valley Task Force (VTF) Empty Homes Grant (EHG) initiative with a similar national product. WG are committed to maximising the return to use of privately owned empty properties linked to their enforcement agenda, unmet housing need issues and more recently linking into the cost-of-living crisis, all of which are shared objectives of CCBC.
- 2.2 The national scheme has received Ministerial approval and was launched in January 2023. £50 million has been set aside for the programme over a 2 year period, with allocations of £25m in 23/24 and £25m in 24/25. The product will be very similar to the VTF EHG, available to empty property owners who want to become owner-occupiers.
- 2.3 There will be an initial notational allocation to each local authority based on the Council’s, council tax data relating to the number of empty homes for the specific year. For CCBC in 22/23 this equates to 4.62%.
- 2.4 Based on this 4.62%, during 23-25 the allocation to CCBC would be £2.31M. If, as expected, there is demand from property owners, for the total allocation, the LA contribution towards these grants at 10% would be approximately £231,000, resulting

in total assistance of £2.54M. Based on a £25,000 maximum grant this would bring back approximately 101 empty homes.

- 2.5 Caerphilly Homes could contribute in full (approximately £231,000) towards this programme from the general fund housing capital reserves (slippage), taking the pressure off future general fund resources.

### **3. RECOMMENDATIONS**

- 3.1 That Cabinet consider the merits of the new National Empty Home Grant programme and the potential number of empty homes that could be brought back into use based on the maximum grant, across the county borough over the next two years (101) and agree that Caerphilly Homes participate in the new National Empty Home Grant programme.
- 3.2 To agree the contribution of circa £231,000 towards the scheme during 23- 25 from housing general fund capital reserves.
- 3.3 To approve the use of both General Fund and Private Sector Housing revenue balances of circa £274,000 to fund the Empty property Team for an additional 2 years until October 2025.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 The Empty Property Team have engaged very proactively with the empty property owners within the private sector. Agreeing and approving the delivery of this programme and contributing towards the works required to each property to bring them back into use, is one tool at the disposal of Caerphilly Homes to increase the available housing stock within the borough. This relieves other pressures across the housing sector particularly in the private rented sector where other groups of the community in housing need can then be accommodated.
- 4.2 Agreeing a CCBC contribution towards the programme enables the funding to go further and as the team works to promote the scheme their objective will be to optimise the funding envelope to increase the number of empty properties that can be brought back into use.

### **5. THE REPORT**

- 5.1 In September 2020 Cabinet approved a capital allocation of up to £700k from Capital Earmarked Reserves to support the delivery of Valley Task Force (VTF) (based on an anticipated 35% contribution towards each grant), as well as the creation of a 2-year fixed term empty homes team at a staffing cost of £275k to deliver the work.
- 5.2 The staff commenced work in October 2021 and therefore are currently funded until October 2023. Following the commencement of the VTF scheme in 2020, WG were able to fund an increased level of the grant work than was originally anticipated and therefore the local authority contribution was significantly reduced to a capital lump sum of £100k. Consequently £600k was not required.
- 5.3 The VTF programme in Caerphilly CB resulted in 65 properties receiving grant aid so that they could be returned to beneficial use, all of which are completed. This was

achieved at an approximate total cost of just under £1.5m of which £1m was provided by VTF grant assistance, £100K CCBC contribution and £300K applicant contribution (see paragraph 5.13 below).

- 5.4 £50 million has been allocated by WG for the new National Empty Home Grant programme over a 2 year period, with allocations of £25m in 23/24 and £25m in 24/25. The product is available to empty home owners who want to become owner-occupiers. The required Local Authority contribution is 10% of its allocation.
- 5.5 It is expected that there will be an initial notional allocation to each local authority based on the Council's, council tax data relating to empty homes. For CCBC in 22/23 this equates to 4.62%. The amount of funding CCBC will receive will depend on the number of empty homes recorded in that particular financial year but based on the 4.62%, during 23 -25 the figure would be £2.31M. If, as expected, there is demand from property owners for the total allocation, based on the confirmed percentage contribution of 10% it would be approximately £231,000, resulting in total assistance of £2.54M. Based on a £25,000 maximum grant this would bring back approximately 101 empty homes.
- 5.6 Caerphilly Homes could contribute in full (approximately £231,000) towards this programme during the 2 years from the general fund housing capital reserves (slippage), taking the pressure off future general fund resources.
- 5.7 It is key for the delivery of this new National Grant that approval to participate in the scheme is obtained as quickly as possible.
- 5.8 Therefore, approval is sought to participate in the scheme from its launch in January 2023, with a view to seek approval to earmark general fund housing capital reserves to be used during 2023-25.
- 5.9 The successful implementation of the scheme in these years will be dependent on the continuation of funding for the Empty Homes Team who have, to date, been successful in delivering the VTF programme as well as progressing the Welsh Government approved CCBC Empty Property Action Plan including the ongoing development of an empty homes pack, empty property website, Empty Homes Strategy and the instigation of legal proceeding on individual property owners in relation to enforced sales.
- 5.10 Therefore, approval is also sought to use both General Fund and Private Sector Housing balances of circa £274,000 to continue to fund the Empty property Team for an additional 2 years until October 2025 to ensure the Empty Home Grant programme is delivered.
- 5.11 The main details of the grant are listed below:

#### **Qualifying Period for Empty Home**

This will be 12 months to align with the commitment to extend the PAM measure from 6 months to 12 months and be more reflective of a true empty.

#### **Scheme administration –**

This will be national to ensure consistency and aid the tight delivery timescales of the Programme as well as considering local capacity issues. The scheme will be administered by Rhonda Cynon Taff County Borough Council.

#### **Scheme costs / administration fees**

To consider revenue impacts on Local Authorities.

### **Grant allocation mechanism / formula**

A hybrid of both nominal allocation and demand led allocation where the initial allocation is nominal per Local Authority to ensure fairness but with spend being monitored and recovered as well as redistributed if not effectively utilised.

### **Grant limit**

Maximum grant of £25,000 to include energy efficiency requirements.

### **Match Funding requirements –**

Local Authority / applicant contribution:

Applicant contribution will remain the same as VTF at 15% of the cost of the works up to a maximum of £3,000, waived for cases of hardship. Any costs above the grant maximum would be met by the applicant.

Local authority contribution as a percentage figure match funding (10% with a maximum of £25,000 per property.

### **Criteria –**

For example, –

Owner of a home that has been registered with council tax as an empty for a minimum of 12 months.

Grant work must result in energy efficiency improvement.

5 year post grant conditions applied .

## **5.12. Conclusion**

- 5.13 That Caerphilly Homes participate fully in the scheme and optimise the level of funding available to maximise the number of empty homes brought back into use, coming from general fund housing capital reserves.

## **6. ASSUMPTIONS**

- 6.1 The key assumption is that this work can be picked up within Caerphilly Homes primarily focusing on the empty property team.
- 6.2 That all property will be at the maximum eligible grant and this manages expectations of the conditions over the next few years.

## **7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT**

- 7.1 The Integrated Impact Assessment (IIA) suggests that the delivery of the Empty Home Grant Programme will only have a positive impact upon the residents of the County Borough and on community cohesion by improving availability of affordable and market housing opportunities as well as helping to address problematic long-term empties.
- 7.2 By providing opportunities for people to have more access to a wider range of housing options and providing financial support initiatives, the IIA shows that the Programme will have a positive impact on equality, diversity and inclusion, on tackling social disadvantage and on promoting the wellbeing of existing and future generations. Helping people achieve affordable home ownership also contributes to

several of the Council's wellbeing objectives. No adverse impact on the promotion of the Welsh language was identified.

7.3 Hyperlink to the WG Integrated Impact Assessment:

**[Link To Integrated Impact Assessment](#)**

## **8. FINANCIAL IMPLICATIONS**

8.1 The key financial implications are the Local Authority contribution towards the capital programme of £231,000 during 23/24 and 24/25 split 50/50. This contribution can be made from general fund housing capital reserves.

8.2 The use of both General Fund and Private Sector Housing revenue balances of circa £274,000 to fund the Empty property Team for an additional 2 years until October 2025.

## **9. PERSONNEL IMPLICATIONS**

9.1 There are no implications here as it is assumed that the project will be managed by the existing Caerphilly Homes Empty Property Team.

## **10. CONSULTATIONS**

10.1 All consultee responses have been included in this report.

## **11. STATUTORY POWER**

11.1 Local Government Act 2000 and Local Government (Wales) Measure 2011 'wellbeing power'.

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Consultees:

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|-----------------------|--|
| Cllr Shayne Cook      | - Cabinet Member for Housing                             |
| Cllr Andrew Whitcombe | - Chair Housing and Regeneration Scrutiny Committee      |
| Cllr Patricia Cook    | - Vice Chair Housing and Regeneration Scrutiny Committee |
| Christina Harray      | - Chief Executive  |
| Dave Street           | - Corporate Director Social Services and Housing         |
| Mark S Williams       | - Corporate Director Environment and Economy             |
| Richard Edmunds       | - Corporate Director of Education and Corporate Services |
| Robert Tranter        | - Head of Legal Services and Monitoring Officer          |
| Stephen R Harris      | - Head of Financial Services and S151 Officer            |
| Rhian H Williams      | - Group Accountant Treasury and Capital                  |
| Lesley Allen          | - Principal Group Accountant - Housing                   |
| Fiona Wilkins         | - Housing Services Manager                               |
| Jane Roberts-Waite    | - Strategic Co-ordination Manager                        |
| Kerry Denman          | - Housing Solutions Manager                              |