



Houses into Homes

Key Monitoring Data for 2012-13

Interim report

Social research

Number: 47/2013

Background

The Welsh Government introduced the Houses into Homes Scheme in April 2012, as part of a programme of work to meet the target of bringing 5,000 properties back into use during the current term of government (2012-16).

A team from the Centre for Regional Economic and Social Research at Sheffield Hallam University has been commissioned to evaluate the Scheme.

This bulletin presents a summary of monitoring data collated by local authorities, and provides an overview of applications to the Scheme during the financial year to 31st March 2013. It is the second interim output from the evaluation, which runs until 2015.

Key data for 2012-13:

- 45 Houses into Homes applications were approved in 2012/13
- the total value of the loans agreed was £2,032,169, at an average of £45,159 per application
- these loans will support works that will result in the provision of 90 units of accommodation
- 44 per cent of the units provided will be made available as affordable accommodation¹
- an additional 179 applications were in the process of being assessed at the end of the monitoring period (31st March 2013)
- the combined value of the loans agreed and the loans being processed indicates local authorities met the target set by the Welsh Government of drawing down the full £10 million of capital funding in the financial year 2012/13
- the total number of units that are projected to be provided by the approved loans and the applications being processed is in excess of 500.

¹ Affordable housing is not just social housing, but includes low cost home ownership, shared ownership and intermediate rent, where rents are set at up to 80 per cent of market levels.

For further information, please contact:
Name: Sara James
Department: Knowledge and Analytical Services
Welsh Government
Rhydycar
Merthyr Tydfil
CF48 1UZ

Tel: 0300 062 8562
Fax: (01685) 728006
Email: sara.james@wales.gsi.gov.uk

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Introduction

1. This bulletin presents a summary of monitoring data collected from all 22 local authorities in Wales regarding Houses into Homes applications received and processed between 1st April 2012 and 31st March 2013. It is the second in a series of outputs to emerge from the ongoing evaluation of the Houses into Homes scheme². Monitoring data is being collected for the duration of the evaluation to assess the progress and impact of the scheme, including actions, outputs, costs and savings.

Houses into Homes Applications

2. Analysis of Houses into Homes monitoring data reveals that 241 loan applications were received in the period 1 April 2012 to 31 March 2013 (Table 1):
 - 45 applications had been approved to receive a Houses into Homes loan
 - 179 were being processed; this includes provisionally approved applications
 - four had been rejected
 - 12 had been withdrawn
 - one had been received after a deadline for applications set by a local authority

Approved Applications

3. Key headlines relating to the 45 approved applications include:
 - The total value of the 45 approved loans was £2,032,169, an average of £45,159 per application:
 - one loan was for less than £5,000;
 - seven loans were for at least £5,000 but less than £20,000;
 - 19 loans were for at least £20,000 but less than £30,000;
 - 10 loans were for at least £50,000 but less than £100,000;
 - seven loans were for £100,000 or more.
 - The total number of units provided by the properties being brought back into use will increase from 46 to 90. Fifteen properties will see an increase in the number of units that they contain. This includes two loans that will see an increase of four units and three loans that will see an increase of six units.
 - Eight approved applications involve bringing non-residential properties back into use as accommodation units.

² The first output can be downloaded at <http://wales.gov.uk/docs/caecd/research/130430-houses-homes-first-interim-evaluation-en.pdf>

- Approved loans typically covered the majority of costs associated with bringing a property back into use; 17 agreed loans covered the full cost of the works and a further 12 covered between 75 per cent and 100 per cent. Six of the 45 loans covered less than 50 per cent of the cost of the works.
- Applicants were asked to estimate the expected value of the property in both its current condition and after the works have been completed. Upon completion of the works:
 - the average property value is expected to increase by just over £80,000, or 91 per cent. This appears to reflect the increase in the number of units provided by the properties brought back into use, from 46 to 90;
 - the expected property value will be higher in all cases where data were provided; 14 properties are expected to at least double in value.
- The majority of properties had been empty for more than one year (40 out of 44) and 18 had been empty for five years or more. Seven had been empty for 10 years or more.
- 84 per cent (37) of the 44 loans for which data were provided will provide units for rent and seven will provide units for sale.
- 44 per cent of the units provided by the 34 loans for which data were available will be affordable accommodation³.
- 52 per cent (23) of the 44 approved applications for which data were provided were reported to be bringing properties back into use whose external appearance had been having a negative impact on the local area.

Applications Being Processed

4. Local Authorities reported a further 179 applications that were in the process of being assessed at the end of the monitoring period (31 March 2013). Proposals can change during the approval process, but key points about the stated intentions of these applications include:
 - the total amount of loan funding applied for in the 144 applications where data were provided was £6,956,500, at an average of £48,309 per application
 - the number of units contained within the 171 properties for which data were provided is proposed to increase from 171 to 416
 - the majority of properties had been empty for more than one year. While seven applications were for properties which had been empty for at least six months

³ Affordable housing is not just social housing, but includes low cost home ownership, shared ownership and intermediate rent, where rents are set at up to 80 per cent of market levels.

but less than a year, 35 had been empty for 10 years or more, including three which had been empty for 20 years or more

- applicants for 129 of the 153 applications for which data were provided intend to provide accommodation for rent, 18 intend to provide accommodation for sale and six intend to provide accommodation for sale and/or rent
5. Local authorities reported receiving 805 enquiries about the Houses into Homes loan scheme that were yet to result in an application. In 94 cases owners indicated that they would be submitting an application. A total of 69 owners had been signposted to another empty homes intervention.
 6. Local authorities reported that staff spent 2,419 days managing the Houses into Homes loan fund in 2012/13. Time spent ranged from 10 days or less in three local authorities to 200 days or more in five local authorities.

Delivery Against Targets

7. Summing the value of 45 approved loans and the value of applications being processed gives a total of £8,988,670. Assuming that the additional 35 applications being processed for which no data were provided are of a similar average value to those for which data were provided, then the total sum value of approved loans and loans being processed would amount to just under £10.7 million. This figure indicates local authorities have been successful in meeting the target set by the Welsh Government for the full £10 million of capital funding to be drawn down and allocated in the financial year 2012/13⁴.
8. Summing the number of units to be provided by the 45 approved loans and the number of units to be provided by applications being processed gives a total of 506 units. This increases to 525 units if it is assumed that the additional eight applications being processed for which no information was provided will provide a similar average number of units. This figure is in excess of the 450 units that local authorities indicated would be brought into use when claiming the £10 million of Houses into Homes funding from the Welsh Government⁴.

⁴ <http://wales.gov.uk/newsroom/housingandcommunity/2013/130425houses/?status=ope&lang=en>
In May 2013, due to the early indications of the scheme's success, the Finance Minister announced an additional £10m for the scheme for 2013/14, bringing the total fund to £20m.

Table 1: Summary of Houses into Homes Applications received between 1 April 2012 and 31 March 2013

	Approved loans			Applications being processed	Other applications ⁴	
	Number	Total Value (£)	Average Value (£)	Number	Number	
North Wales	22	1,072,124	48,733	48	32	5
Flintshire	7	499,250	71,321	22	2	0
Wrexham	7	288,500	41,214	14	3	1
Denbighshire	3	72,387	24,129	3	4	0
Anglesey	3	136,987	45,662	6	2	3
Gwynedd	2	75,000	37,500	3	11	0
Conwy	0	-	-	-	10	1
Mid and West Wales	0	-	-	-	43	0
Carmarthenshire	0	-	-	-	22	0
Ceredigion	0	-	-	-	12	0
Pembrokeshire	0	-	-	-	9	0
Powys	0	-	-	-	0	0
Gwent	13	535,045	41,157	24	28	0
Blaenau Gwent	5	276,943	55,389	12	8	0
Newport	4	77,900	19,475	4	3	0
Monmouthshire	2	150,000	75,000	6	3	0
Caerphilly	1	8,300	8,300	1	7	0
Torfaen	1	21,902	21,902	1	7	0
Western Bay	1	25,000	25,000	1	23	4
Neath Port Talbot	1	25,000	25,000	1	8	3
Bridgend	0	-	-	-	9	1
Swansea	0	-	-	-	6	0
Cardiff and the Vale	1	125,000	125,000	5	27	6
Cardiff	1	125,000	125,000	5	22	4
Vale of Glamorgan	0	-	-	-	5	2
Cwm Taf	8	275,000	34,375	12	26	2
Merthyr Tydfil	6	125,000	20,833	6	1	0
Rhondda Cynon Taf	2	150,000	75,000	6	25	2
Wales	45	2,032,169	45,159	90	179	17

Source: Houses into Homes monitoring data

⁴ Other applications includes: rejected applications (five), withdrawn applications (12) and applications received after a deadline sent by a local authority (one)

Next steps

9. A team from the Centre for Regional Economic and Social Research at Sheffield Hallam University has been commissioned by the Welsh Government to conduct an evaluation of the Houses into Homes scheme. The aim is to monitor effectiveness, impact and added value of the scheme, and to provide accountability for the use of public funds. This bulletin presents key monitoring data collected during 2012-13, the year following the scheme's launch. The next output will be a full evaluation report for the same period, and will set out the experiences of practitioners in implementing the scheme, and early indications as to its impact in the context of other activities by local authorities to bring empty properties into use. We will publish further interim outputs in 2014 and a final report in the summer of 2015. The reports will all be available on the Welsh Government website at: <http://wales.gov.uk/about/aboutresearch/social/?lang=en>