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## Year 6: The Socio-Economic Impact of the Welsh HA and Community Mutual Sector

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**Report for:**

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## **Executive Summary**

This Report is the sixth of a series which began in 2008. Its objective is to estimate the economic impact of the CHC membership, in terms of Gross Value Added and Jobs arising directly and indirectly through their activities, and to capture in the form of commentary other more difficult to measure contributions to Wales. In this report the focus is on regeneration effects.

For the purposes of this report Housing Associations (HAs) refer to Community Mutual organisations, Large Scale Voluntary Transfers (LSVTs) and Traditional Housing Associations. Where LSVTS are mentioned separately it specifically refers to stock transfers.

CHC is the representative body of the Housing Association sector in Wales, with over 70 members, of which around 30 are building new homes while the rest are principally landlords. In 2008, when this series of reports started, CHC members (Table E1) directly employed around 4,000 people and provided 95,000 homes. In 2013, the movement employs around 12,500 people and provides 155,000 homes.

**Table E1 Affordable homes in CHC membership 2008-2013**

	<b>Affordable homes</b>	<b>% Change in number of Affordable Homes 2008-2013</b>
2008	95,000	
2013	155,000	63.2%

In 2008, the Welsh Economy Research Unit, Cardiff University proposed a simple template for counting the new homes provided by the Housing Association sector, as follows:

- Number of additional homes by local authority area and tenure.
- Number of additional homes by local authority area and Social Housing Grant (SHG)/non Social Housing Grant.
- Number of additional homes by local authority area, which were built, renovated or acquired.

**Table E2 Additional homes provided by CHC membership 2008-2013**

	<b>Additional homes</b>
2008	1533
2009	2142
2010	2286
2011	2033
2012	1973
2013	1862

The latest count indicates that 1862 new homes were provided during the year 2012/13 by HAs. Of these, 1103 were achieved through SHG [see Appendix 2 Table A2].

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The steady addition of new homes by the sector fulfilled Welsh Government targets, but the need is unremitting, and in May 2012 a new target was set of providing 12,500 homes during the current term of Government (to 2015). The target includes 7,500 new homes and the renovation of 5,000 existing empty properties, using the Houses into Homes scheme which was launched in April 2012.

### **Economic Impact Assessment 2013**

Welsh Housing Associations (HAs) spent an estimated £1034m (including operational expenditure, staffing costs, construction spend and maintenance/ major works) in 2012/13. Table E3 shows how much of this expenditure was *retained* in Wales.

**Table E3 Estimated Gross Spending of Welsh HAs in Wales by category 2012/13**

	<i>£m</i>	<i>Percentage of all Welsh HA spend</i>
Maintenance, repair and upgrading	280.0	33.3
Direct Labour costs	253.4	30.2
Construction	159.2	19.0
Other	52.6	6.3
Land acquisition	26.5	3.1
Finance and business services	23.0	2.7
Transport/post/telecoms	14.5	1.7
Rents and rates	11.9	1.4
Consumables	5.7	0.7
Energy/water	5.6	0.7
Training services	5.1	0.6
Hotels/ Distribution	2.5	0.3
<b>Total</b>	<b>840.0</b>	<b>100.0</b>

In order to estimate the impact of this direct spending across Wales, the team use the Welsh Input-Output Tables which detail the buying and selling of goods and services which ripple through the different sectors of the Welsh economy.

Spending by the HA sector then stimulates indirect impacts (supplier effects plus induced-income effects), which (shown in Table E4) are estimated to be £938 million of additional output in the region, £396 million of additional gross value added, and additional employment to service this extra demand of 13,360 Full-Time Equivalent (FTEs).

**Table E4 Estimated Economic Impacts of the Housing Associations of Wales on the Welsh Economy 2012/13**

	<b>Direct Impact:</b> HA Sector Output/ Employment	<b>Indirect Impact:</b> (Supplier effect + Induced Income effect)	<b>Total Impact</b>
Output <b>£m</b>	1,034	938	1,972
Gross Value Added (GVA) <b>£m</b>	253	396	649
Employment: <i>Full Time Equivalents</i> <b>(FTEs)</b>	8,000	13,360	21,360

\* To provide an estimate of the direct GVA impact total wage spend of Welsh HAs was used. This total should be treated as indicative only.

\*\* The direct employment estimate is calculated from HAs covered in the 2012 Financial Statements of Welsh Housing Associations.

This means that for every one full time person employed by the HA sector nearly two other jobs are supported within the Welsh economy in other sectors. The combined direct and indirect economic impacts are shown in Table E4. HAs supported a total output of £1,972m in 2012/13; Gross Value Added of around £649m; and an estimated 21,360 FTE jobs in Wales.

**Table E5 Estimated Regeneration Spend (excluding staff costs) 2012/13**

	<i>2013</i> <b>£m</b>
Brownfield construction	171.0
Greenfield construction assoc. with regeneration	8.5
Repair & maintenance	294.7
Training budgets	7.0
Community Regeneration projects and other expenditure	28.0
<b>Total</b>	<b>509.2</b>

Table E5 shows an estimated £509m is spent within and on communities which might otherwise not receive investment, and have a regenerating impact. Much of this money is spent on keeping or bringing dwellings up to the Welsh Housing Quality Standard (WHQS).

Figure E1 plots the value of spending on local goods and services over the six year period. In real money, CHC members have spent over £3.6bn on Welsh goods and services to supply their own services to their customers, over the six year period.

Figure E1 CHC Member's spending in Wales 2008 – 2013, £m

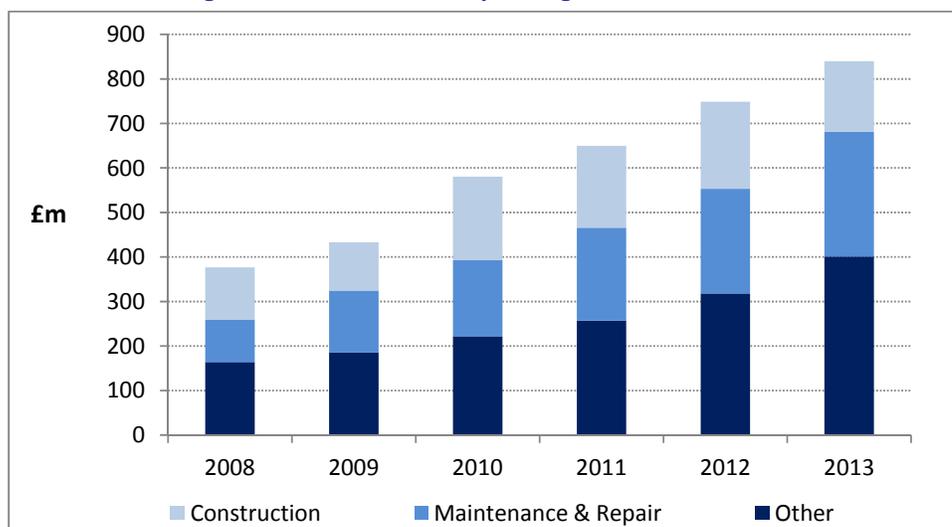


Table E6 then provides a summary of *total* impacts of CHC activity over the last six years, showing substantial support to the Welsh economy. A large proportion of these impacts have been channelled through the construction industry in Wales, providing a vital stimulus to the sector during a period of general economic slowdown and uncertainty.

Table E6 Estimated TOTAL (Direct + Indirect) Economic Impact of the Housing Associations of Wales on the Welsh Economy 2008-2013 (constant prices year 2013 pounds)

	2008	2009	2010	2011	2012	2013
Output (£m)	931	1083	1444	1602	1828	1972
Gross Value Added (GVA) (£M)	309	360	450	503	579	649
Employment:						
Full Time Equivalents (FTEs)	12047	14540	15700	17100	20200	21360

Table E7 shows the contribution of Housing Associations to regeneration. This continues to be important, particularly with respect to working towards WHQS, and with increases over the previous years reflecting the impact of the latest LSVTs.

Table E7 Estimated Regeneration Spend (£m) (excluding staff costs) 2008-2013 (constant prices year 2013 pounds)

	2008	2009	2010	2011	2012	2013	Total
Brownfield construction	111	104	182	168	188	171	924
Greenfield construction assoc with regeneration	19	16	21	19	16	9	100
Repair & maintenance	99	152	202	245	285	295	1278
Training budgets	2	2	3	4	6	7	24
Community Regeneration projects and other expenditure	3	3	4	6	6	28	50
<b>Total</b>	<b>234</b>	<b>277</b>	<b>412</b>	<b>442</b>	<b>501</b>	<b>510</b>	<b>2376</b>

## **1 Introduction**

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- 1.1 This is the sixth report in a series which began in 2008, prepared by the Welsh Economy Research Unit (WERU) at Cardiff University for Community Housing Cymru (CHC). The objective is to analyse the spending patterns and economic impact of housing associations in Wales. This report also up-dates the time series which first appeared in 2012.
- 1.2 For the purposes of this report Housing Associations (HAs) refer to Community Mutual organisations, Large Scale Voluntary Transfers (LSVTs) and Traditional Housing Associations. Where LSVTS are mentioned separately it specifically refers to stock transfers.
- 1.3 Community Housing Cymru (CHC) is a private company limited by guarantee, holding charity status. It is a non-profit-making membership body which is owned by its members. CHC represents its membership of Housing Associations and associated support providers in Wales. With the Centre for Regeneration Excellence Wales (CREW) and Care and Repair Cymru, CHC jointly campaigns in the interests of not-for-profit housing, care and regeneration. In total, the group now employs 49 people. Together, these teams work to inform the membership of developments and best-practice, run training programmes, facilitate networking opportunities, and manage conferences. Added to this is the important task of helping to raise the profile of the Movement and influence the regulatory framework for housing within Wales; working with government.
- 1.4 Housing Associations in Wales are now responsible for around 155,000<sup>1</sup> homes which together employ an estimated 12,500 people either full or part-time (source: CHC and WERU), in over 70 not for profit housing associations. Approximately 30 of these are building new housing.
- 1.5 Reprising previous reports; Large Scale Voluntary Transfer of housing stock has resulted in the following stock transfers from local authorities:
  - Bridgend to Valleys to Coast Housing,
  - Monmouthshire County Council to Monmouthshire Housing,
  - Rhondda Cynon Taff to RCT Homes,
  - Torfaen to Bron Afon Community Housing,

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<sup>1</sup> <http://annualreport2012.chcymru.org.uk/infographic/index.php>

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- Merthyr Tydfil to Merthyr Valleys Homes,
  - Conwy to Cartrefi Conwy,
  - Newport to Newport City Homes,
  - Ceredigion to Tai Ceredigion,
  - Gwynedd stock to Cartrefi Cymunedol Gwynedd,
  - Blaenau Gwent to Tai Calon Community
  - Neath Port Talbot to NPT Homes.
- 1.6 Meanwhile Swansea, Wrexham, the Vale of Glamorgan, Caerphilly and Flintshire tenants have opted to stay with their local authorities. The Local Authorities of Cardiff, Carmarthenshire, Denbighshire, Pembrokeshire and Powys expect to achieve the Welsh Housing Quality Standard.
- 1.7 **Policy Timeline** - For the purposes of this report, the story begins in 2001 when the Welsh Assembly Government published the National Housing Strategy: Better homes for people in Wales (2001) quickly followed by the Welsh Housing Quality Standard in 2002. One impact of the Standard was to drive the formation of new social housing organisations, which were able to raise finances for investment in their property portfolios.
- 1.8 The encouragement by the Welsh Government, in 2005, for Housing Associations to come together into consortia to qualify for Social Housing Grant (SHG) has had some successes, with effective and durable alliances being formed. For others it worked less well and currently there is no obligation to join a consortium to qualify for SHG.
- 1.9 The Welsh Government also launched the Social Housing Management Grant programme (SHMG) in 2006 to spur high standards of housing management by supporting projects designed to encourage housing management good practice, and to encourage innovation in the sector.
- 1.10 The Affordable Housing Task and Finish Group (the so-called Essex Report,<sup>2</sup> published in 2008), was researched and written during the banking crisis. Despite the deeply negative economic context of the report, its findings remain legitimate under the slowly improving conditions experienced in 2013. Of key importance is the fact that arbitrary targets for new homes provision cannot be met in the absence of resources and innovation, including European Investment Bank Funds, strategic Capital Investment Board funds, public land release, and section 106 agreements.
- 1.11 Previous WERU reports have followed the delivery of targets, and noted that by March 2010, and with the addition of 2,472 affordable homes, the social housing

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<sup>2</sup> [http://www.cewales.org.uk/cew/wp-content/uploads/essex\\_report1.pdf](http://www.cewales.org.uk/cew/wp-content/uploads/essex_report1.pdf)

sector had exceeded the target of 6,500 and achieved a total of 6,707 in the first three years of the term of that government. CHC credited this achievement to additional government support, better regulation and a greater use of HAs own resources. In May 2012 the Welsh Government set a new target of providing 12,500 homes during the current term of Government (to 2015); of which 7,500 would be new homes (a thousand more than the previous government’s target) and 5,000 would come from existing empty properties (utilising the Houses into Homes scheme launched in April 2012). This target is intended to be achieved over the current Government term with additional funding, accelerated Land Release for housing, new models of development, and innovative ways to access housing.

- 1.12 **Additional Homes Survey 2012/13** – Every year from 2008 onwards CHC has requested that its membership complete three tables, with these detailing:

*Table 1:* Number of additional homes by tenure (rented and low cost home ownership LCHO) and local authority area

*Table 2:* Number of additional homes by SHG/non SHG and local authority

*Table 3:* Number of additional homes which were built, renovated or acquired

- 1.13 Summarised below are the results of these surveys from 2007/8 to 2012/13. A more detailed breakdown for 2012/13 is included in Appendix 2.

**Table 1 Number of additional homes by tenure and local authority area**

	<b>Rented</b>	<b>LCHO</b>	<b>Total</b>
2007/08	1049	484	1533
2008/09	1769	373	2142
2009/10	2123	163	2286
2010/11	1743	290	2033
2011/12	1788	185	1973
2012/13	1714	148	1862
<b>Total</b>	<b>10186</b>	<b>1643</b>	<b>11829</b>

**Table 2 Number of additional homes by SHG/non SHG and local authority area**

	<b>SHG</b>	<b>Non-SHG</b>	<b>Total</b>
2007/08	842	691	1533
2008/09	1198	944	2142
2009/10	1740	546	2286
2010/11	1820	213	2033
2011/12	1432	541	1973
2012/13	1103	759	1862
<b>Total</b>	<b>8135</b>	<b>3694</b>	<b>11829</b>

**Table 3 Number of additional homes which were built, renovated or acquired**

	<b>Built</b>	<b>Renovated</b>	<b>Acquired</b>	<b>Total</b>
2007/08	932	41	560	1533
2008/09	1415	42	685	2142
2009/10	1769	176	341	2286
2010/11	1553	74	406	2033
2011/12	1532	56	385	1973
2012/13	1267	218	377	1862
<b>Total</b>	<b>8468</b>	<b>607</b>	<b>2754</b>	<b>11829</b>

1.14 **Report Structure** - Section 2 estimates the economic impacts arising from Housing Association activity, derived from manipulation of the Welsh Input-Output Tables (WERU 2007)<sup>3</sup>, and using the findings of the 2013 Housing Associations Spending Survey. Results are reported in terms of Welsh output; gross value added and jobs supported by HAs both in-house, and through their supply chains (and wage spending). Total spending is derived from the Global Accounts 2012, which is the latest available information. Section 3 reports the six year picture and Section 4 reviews regenerative activity over the period which can be linked to the overall spending of the HA sector.

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<sup>3</sup> The Welsh Input-Output project is explained at  
[http://business.cf.ac.uk/sites/default/files/IO\\_2007\\_Final\\_30\\_6.pdf](http://business.cf.ac.uk/sites/default/files/IO_2007_Final_30_6.pdf)

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## **2 The Economic Impact of Housing Associations in Wales**

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### **2.1 Background**

2.1.1 In this chapter of the report, estimates are given of the economic value generated by the spending of housing associations in Wales. The section includes an outline of the methodology used to estimate the economic contribution and impact of housing association sector activity to the economy of Wales during 2012/13. The section is structured as follows:

- The economic terms used are defined.
- The methodology used to examine economic impacts at an all-Wales level is outlined.
- Results for the Welsh economy – covering gross spending by category; gross spending in Wales by category; analysis of net spending once imports are accounted for; and knock-on (multiplier) effects of housing association related spending in terms of total spending, gross value added and employment supported by housing association spend in Wales.

### **2.2 Sources of economic impact**

2.2.1 The spending of housing associations takes place on a variety of goods and services- with typical items including maintenance and repair of housing units; construction spend on new housing resources; and staff wages. In addition to these more obvious examples are other expenditures, for example, on financial services, staff training, and utility costs (water/ electricity/ gas etc.)- so that, importantly, housing associations spend money on the outputs of many different sectors in the economy.

2.2.2 To estimate the economic impact of housing associations the analysis first considers how much of total spending is on goods and services that are imported into the Welsh economy. Then, once discounted for imports, how far this total spending by housing associations supports gross value added and employment in the Welsh economy.

### **2.3 Measures and types of economic activity**

2.3.1 The assessment uses different measures to quantify the nature and scale of economic activity associated with Welsh housing associations:

**Spending:** expenditure on goods and services associated with housing associations

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**Gross Value Added (GVA):** the total of all revenues, from final sales and (net) subsidies, which are incomes into organisations/ businesses. Those incomes are then used to cover expenses (wages, salaries), savings (any surplus, depreciation), and taxes.

**Employment:** This is the number of jobs that are supported in Wales as a result of the spending of housing associations. These are reported as *Full Time Equivalent* (FTEs), a measure that converts full- and part-time jobs into a common currency.

- 2.3.2 The core economic benefits of housing associations in Wales are assessed quantitatively through an economic impact model which estimates:

**Direct Welsh Spending, GVA and Employment Impacts** - This measure captures the gross spending, gross value added and employment supported directly through the spending of housing associations in Wales.

**Indirect (Supplier) Welsh Spending, GVA and Employment Impacts** - This measure accounts for supply chain impacts in Wales associated with the direct effects above. For example, as a housing association spends money on Welsh goods and services, the suppliers of these goods and services also have to purchase goods and services in Wales to meet these demands. Therefore indirect spending, GVA and employment are supported in the Welsh economy. The additional economic activity in these companies is passed down through their supply chains and so on to generate additional, indirect benefits for many other companies.

**Induced (Income) Welsh Spending, GVA and Employment Impacts** - This is an estimate of the impact arising from additional wage spending on goods and services elsewhere in the economy.

## **2.4 Economic Impact Methodology**

- 2.4.1 The methodology employed in this analysis followed that used in previous similar work carried out by the Welsh Economy Research Unit of Cardiff Business School for Community Housing Cymru from 2008 to 2012.
- 2.4.2 An estimation of the direct effects of housing association spending in Wales was calculated using responses to a questionnaire survey form sent out to housing associations in Wales (see Appendix 1). Respondents were asked to detail expenditure by category for the housing association they represented, with returns being collated to produce an aggregate breakdown of purchases from other sectors
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of the economy. A control total for the sector was derived from data in the “Global Accounts for the Welsh Social Housing Sector 2012” publication produced by Community Housing Cymru. This total includes operational spend (including staff costs), construction/upgrading spend (derived from the change in housing properties at cost year on year) and commercial property spend. This came to a total of £1034m of direct gross spend by the Welsh HA sector.

- 2.4.3 Table 2.1 shows the gross spending estimate by Welsh housing associations for 2012/13. Important components of direct expenditure were maintenance, repair and upgrading (£294m, or 28.5% of all sector spend) and construction (£227.5m, or 22.0% of all sector spend).

**Table 2.1 Estimated Gross Spending of Welsh HAs by category 2012/13**

	<i>£m</i>	<i>Percentage of all Welsh HA spend</i>
Maintenance, repair and upgrading	294.7	28.5
Construction	227.5	22.0
Direct Labour costs	253.3	24.5
Other *	128.2	12.4
Finance and business services	41.4	4.0
Land acquisition	26.9	2.6
Transport/post/telecoms	21.7	2.1
Rents and rates	12.4	1.2
Energy/water	9.3	0.9
Training services	7.2	0.7
Consumables (stationery)	7.2	0.7
Hotels/ Distribution	4.2	0.4
<b>Total</b>	<b>1034.0</b>	<b>100.0</b>

*\* “Other” includes items such as “depreciation of stock” and “other estate costs/management charges”.*

- 2.4.4 Once a grossed up total expenditure figure had been derived for Welsh housing associations, the next stage of the analysis adjusted this total to take account of spending leakages outside of the Welsh economy . For example, by using data from questionnaire responses and following discussions with sector stakeholders, the share of construction expenditure accruing to the Welsh economy was estimated at 70% of the total (or £159m) in 2012/13.
- 2.4.5 The results of this process were an estimate of the direct gross spending of Welsh housing associations in the Welsh economy. Table 2.2 shows that an estimated

£280m spent on maintenance, repairs and upgrading in 2012/13 flowed into the Welsh economy.

**Table 2.2 Estimated Gross Spending of Welsh HAs in Wales by category 2012/13**

	<i>£m</i>	<i>Percentage of all Welsh HA spend</i>
Maintenance, repair and upgrading	280.0	33.3
Direct Labour costs	253.4	30.2
Construction	159.2	19.0
Other	52.6	6.3
Land acquisition	26.5	3.1
Finance and business services	23.0	2.7
Transport/post/telecoms	14.5	1.7
Rents and rates	11.9	1.4
Consumables	5.7	0.7
Energy/water	5.6	0.7
Training services	5.1	0.6
Hotels/ Distribution	2.5	0.3
<b>Total</b>	<b>840.0</b>	<b>100.0</b>

*\* "Other" includes items such as "depreciation of stock" and "other estate costs/management charges".*

2.4.6 Before the economic modelling could take place to estimate the indirect impacts of housing association spending, other adjustments were carried out to account for tax leakages. Wage expenditure (direct labour costs) were discounted to remove employer costs, employee tax and National Insurance contributions. Further elements of spending that do not generate positive economic impacts on the Welsh economy were also removed. These leakages included expenditures on such items as rent losses/ bad debts and depreciation of stock in the "Other" category.

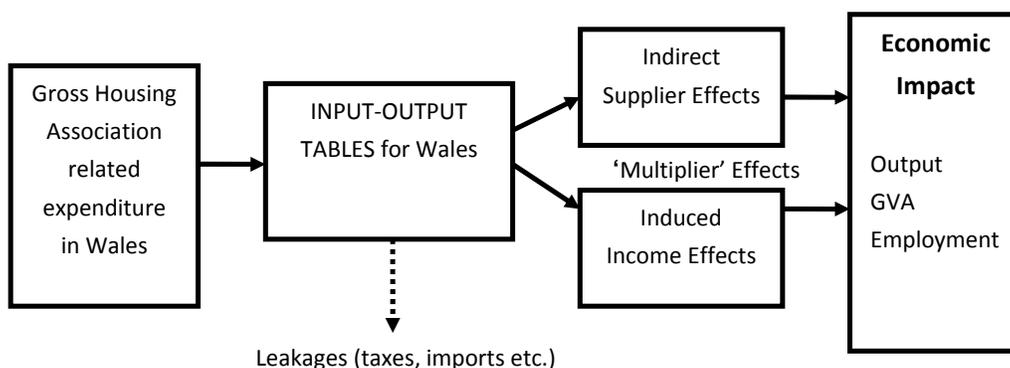
## **2.5 Estimation of the Indirect Supplier and Induced-Income Effects**

2.5.1 The economic modelling framework is needed in order to estimate the multiplier effects of housing association expenditure at the national level- these are the indirect and induced effects. Input-Output tables provide an appropriate and detailed method by which to estimate these flow-on effects. Input-Output methods have a long and well-regarded history of use in studies of economic impacts, ranging from sector studies to one-off events and general economy changes.

2.5.2 Input-Output tables provide a detailed financial account of trading between different parts of the economy during one year. This includes trade between industries within the economy, external trade through imports and exports, as well as consumer and government spending. The Input-Output framework then enables the effect of any spending or activity to be traced through the various supply chains, ultimately estimating indirect and induced-income effects.

2.5.3 The relevant direct (net) expenditure data in Wales was then incorporated into the Input-Output framework in order to provide multiplier effects (i.e. indirect supplier and induced income effects). Figure 2.1 provides a summary of the approach used to estimate the economic impacts of housing association spending in Wales.

**Figure 2.1 Estimation of Net Economic Impact in Wales**



## **2.6 Economic Impacts of Housing Association activity in 2012/13**

2.6.1 The modelling process provided an estimate of the indirect impact of housing association spending in Wales (supplier effects plus induced-income effects) of £938m of additional output in the region.

2.6.2 The impact on Gross Value Added, which is an estimate of how much real additional worth accrues to the region in terms of local additions to wages and profits, is estimated at £396m.

2.6.3 The additional employment required to service this extra demand is estimated to be 13,360 Full-Time Equivalents (FTEs). This implies that for every one full time person employed by a HA, nearly two other jobs are supported elsewhere in the economy by housing association activity.

## 2.7 Total Economic Impacts of HA Sector Activity 2012/13

2.7.1 Combining the direct and indirect economic impacts of housing association sector activity gives the total impacts, as shown in Table 2.3. In 2012/13 housing associations in Wales supported an estimated total output of £1,972m, gross value added of around £649m, and an estimated 21,360 FTE jobs in Wales.

**Table 2.3 Estimated Economic Impacts of the Housing Associations of Wales on the Welsh Economy 2012/13**

	<b>Direct Impact:</b> HA Sector Output/ Employment	<b>Indirect Impact:</b> (Supplier effect + Induced Income effect)	<b>Total Impact</b>
Output <i>£m</i>	1,034	938	1,972
Gross Value Added (GVA) <i>£m</i>	253	396	649
Employment: <i>Full Time Equivalent (FTEs)</i>	8,000	13,360	21,360

*\* To provide an estimate of the direct GVA impact, total wage spend of Welsh HAs was used. This total should be treated as indicative only. \*\*The direct employment estimate is calculated from HAs covered in the 2013 Financial Statements of Welsh Housing Associations.*

### 3. Housing Associations in Wales – six years in numbers

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- 3.1 Using data from the previous economic impact assessments that WERU have carried out for CHC this chapter briefly highlights headline figures over a six year period. This section includes estimates of regeneration activity undertaken between 2008 and 2013.
- 3.2 To make allowances for changes in the price level over the six year period, and therefore provide a more accurate reflection between the estimates, HM Treasury *Gross Domestic Product deflators*<sup>4</sup> have been used. Using “constant” rather than “current” prices in this way allows a fairer comparison of monetary values over a time series. In practice this means that year 2008 to 2012 figures have been inflated upwards appropriately so that they are expressed in 2013 pounds.
- 3.3 Total spend or output of the housing association ‘sector’ in Wales (defined here as the organisations covered in the annual *Global Accounts*) is used as the starting point for economic impact Input–Output modelling. Table 3.1 shows that output increased from £454m in 2008 to £1034m in 2013.

**Table 3.1 Estimated Direct Economic Impact of the Housing Associations of Wales on the Welsh Economy 2008-2013**

	2008	2009	2010	2011	2012	2013
Output (£m)	454	529	737	833	965	1034
Gross Value Added (GVA) (£m)	105	124	151	181	211	253
Employment:						
Full Time Equivalent (FTEs)	3300	4100	4900	5500	7500	8000

- 3.4 A major factor in the increase in output (and the other two indicators of gross value added and employment) over the complete six year period has been the impact of new Large Scale Voluntary Transfer organisations being set up (particularly between 2009 and 2010). Other important factors holding up the level of output in the sector include: Welsh Government support via the Social Housing Grant; traditional housing associations accessing different forms of development finance; take-up of the Strategic Capital Investment Fund (SCIF) (which was set-up in response to the recent economic downturn); and extra finance raised through borrowing, and evidenced in an increase in gearing ratios.

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<sup>4</sup> <https://www.gov.uk/government/publications/gdp-deflators-at-market-prices-and-money-gdp-march-2013>

3.5 Between 2008 and 2013 it is estimated that housing associations in Wales spent over £4.5bn on the provision of affordable, good quality housing and associated services, much of this in the most deprived regions of the nation. Housing associations are also linked to over £1bn of value added over the six years; and currently directly provide around 8,000 full time equivalent jobs in Wales (some of these having transferred from local authorities).

3.6 As a portion of the spending noted above ‘leaks’ out of the Welsh economy, it is important to identify the amount of expenditure on goods and services procured *in Wales* (providing a stimulus to the regional economy, and then generating supplier and income spending effects). Table 3.2 highlights spending by headline category from 2008 to 2013 on Welsh goods and services.

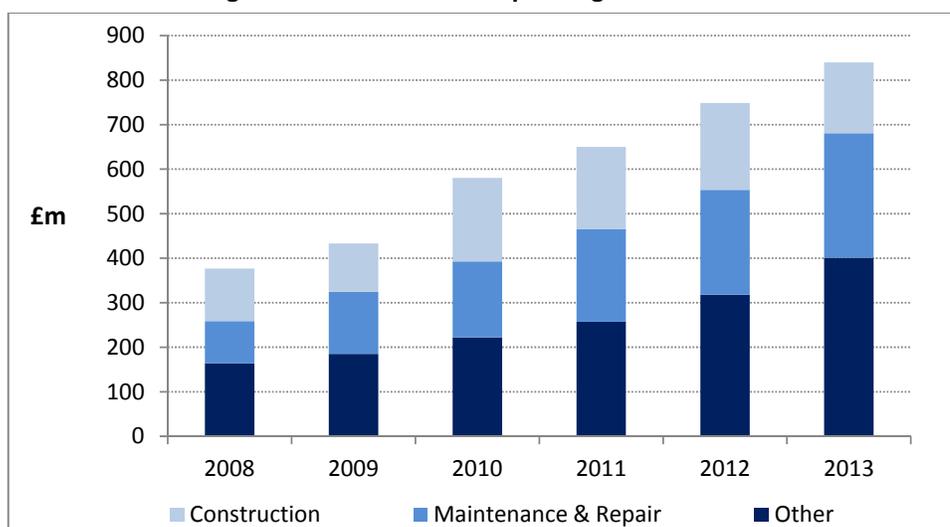
**Table 3.2 Estimated Gross Spending (£m) of Welsh HAs in Wales 2008-2013**

	2008	2009	2010	2011	2012	2013	Total
Construction	118	109	188	184	195	159	953
Maintenance & Repair	95	139	171	208	235	280	1128
Other*	164	185	222	257	318	401	1548
<b>Total</b>	<b>377</b>	<b>433</b>	<b>580</b>	<b>650</b>	<b>749</b>	<b>840</b>	<b>3629</b>

\*Other selling sectors in Wales and wages/salaries

3.7 It is estimated that housing associations have injected around £3.6bn into the Welsh economy from 2008 to 2013, with around £2bn of this being spent on constructing new housing or the maintenance/repair of existing housing portfolios. The information from Table 3.2 is represented graphically in Figure 3.1.

**Figure 3.1 CHC Member’s spending in Wales 2008 - 2013**



- 3.8 The expenditures shown in Table 3.2 create indirect supplier and induced income effects, initiating mainly in the construction sector but then flowing throughout the economy. Over the time series from 2008 spending in the construction industry by Welsh housing associations has played a vital role in combatting the impact of the economic downturn on the sector. This has helped maintain capacity in the construction sector, support employment, training and apprenticeships.
- 3.9 The indirect impacts of housing association expenditures in Wales are shown in Table 3.3. Indirect output increased from £863m in 2012 to an estimated £938m in 2013.

**Table 3.3 Estimated *Indirect* Economic Impact of the Housing Associations of Wales on the Welsh Economy 2008-2013**

	2008	2009	2010	2011	2012	2013
Output (£m)	477	554	707	768	863	938
Gross Value Added (GVA) (£m)	204	237	299	322	367	396
<i>Employment:</i>						
Full Time Equivalents (FTEs)	8747	10440	10800	11600	12700	13360

- 3.10 Combining the headline direct expenditure from Table 3.1 (all spent on communities in Wales but not necessarily provided by Welsh suppliers) with the indirect economic impact from Table 3.3, gives the total economic impacts shown in Table 3.4.

**Table 3.4 Estimated **TOTAL (Direct + Indirect)** Economic Impact of the Housing Associations of Wales on the Welsh Economy 2008-2013**

	2008	2009	2010	2011	2012	2013
Output (£m)	931	1083	1444	1602	1828	1972
Gross Value Added (GVA) (£m)	309	360	450	503	579	649
<i>Employment:</i>						
Full Time Equivalents (FTEs)	12047	14540	15700	17100	20200	21360

- 3.11 Estimates of regeneration spending by housing associations in Wales are shown in Table 3.5.

**Table 3.5 Estimated Regeneration Spend (excluding staff costs) 2008-2013, £m**

	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>Total</i>
Brownfield construction	111	104	182	168	188	171	924
Greenfield construction assoc with regeneration	19	16	21	19	16	9	100
Repair & maintenance	99	152	202	245	285	295	1278
Training budgets	2	2	3	4	6	7	24
Community Regeneration projects and other expenditure	3	3	4	6	6	28	50
<b>Total</b>	<b>234</b>	<b>277</b>	<b>412</b>	<b>442</b>	<b>501</b>	<b>510</b>	<b>2377</b>

## **4. Regeneration and the Community Mutual Housing Sector**

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### **4.1 Introduction**

- 4.1.1 The first report prepared by the Welsh Economy Research Unit for CHC in 2008 highlighted the contribution of the housing association sector to regeneration. Six years later, this theme is revisited to the type of progress being made. This section then reconsiders the definition of regeneration, reports policy developments in Wales, provides a CHC context and then presents findings on regeneration spending as a result of the 2012/13 survey. CHC regeneration work is also case-studied.
- 4.1.2 As part of the economic impact estimation process, each housing association was asked to complete estimates of regeneration-related expenditure. These returns form the basis of the estimates in paragraphs later in this section. Before these are reported, definitions are discussed, and previous work conducted by CHC on regeneration expenditure is used to provide context.

### **4.2 Defining Regeneration**

- 4.2.1 Regeneration tends to be very loosely defined. The 2008 WERU report noted the definition used by the Wales Audit Office 2005 report 'Regeneration a simpler approach for Wales', which assessed regeneration activity in the 22 Welsh councils in order to provide a baseline for future progress, as follows:

*'the upgrading of an area, taking a balanced approach to improving the wellbeing of communities through social, physical and economic improvements.'*  
Wales Audit Office, (August 2005).

- 4.2.2 This report saw the councils playing a role in identifying priorities, accessing funding and using relationships within the community to further the regeneration process. A similar role is now being played by HAs in the social housing movement. In that report it was observed that many definitions were in use, and most embraced the wider social implications of regeneration.
- 4.2.3 The Community Development Foundation defines regeneration as *'a range of practices dedicated to increasing the strength and effectiveness of community life, improving local conditions, especially for people living in disadvantaged situations, and enabling people to participate in public decision-making and to achieve greater long term control over their circumstances'*. This places the focus on activities which improve the level of community engagement where regeneration is the end-game rather than a by-product of other activities.

- 4.2.4 Academics have noted how regeneration investment can reverse social decay, improve the value of a locality and send a message to the private sector to spur further investment. Implicitly, it is non-market organisations which are responsible for reversing decay when market forces are insufficient.
- 4.2.5 These definitions show regeneration to include a wide range of processes from a one-off initiative which improves local infrastructure and or social or economic engagement, to a series of projects over a number of years, with each iteration improving the socio-economic prospects of a locality but with the impact being difficult to measure. These processes would have in common their focus on communities facing disadvantage or deprivation. Regeneration, therefore, includes any activity or project that impacts on skills, creates opportunities, builds knowledge or gives rise to partnerships.
- 4.2.6 In attempting to create a typology of regeneration Rhodes *et al* (2003) suggested that one or more of the following conditions should be met:
- Improving employment prospects, skills and education of local people, particularly the young and disadvantaged,
  - Creating wealth or economic growth,
  - Making a place more competitive
  - Physical improvements to physical housing stock, and by the provision of choice, better management and maintenance
  - Good design
  - Quality of life improvements
  - Crime reduction.
- 4.2.7 We assert, when reporting regeneration expenditure, that *all* housing association expenditure associated with construction (brown and greenfield), and maintenance and repair, *as well as* the spend on headquarter activities (if they are located in run-down areas, or where the sites have been improved by their occupancy) are regeneration spending. They are delivering in localities which are often unattractive to private sector investment.

### **4.3 CHC and Regeneration in 2013 - background**

- 4.3.1 CHC has a good record in terms of developing an evidence base of the work of its members in relation to regeneration. In 2006 CHC undertook a 'Regeneration and Accountability' survey followed by an 'Activity and Accountability' survey in the following summer. At that time CHC had 30 members. The survey responses covered 63% of total housing association stock, and 78% of housing association employment.

The two surveys showed rapid growth over the period of participation in regeneration.

- 4.3.2 Furthermore, by 2007 *all* of the 20 housing associations who had responded were active in the 100 lowest scoring wards according to the Welsh Index of Multiple Deprivation (<http://www.dataunitwales.gov.uk/Data.asp?cat=23>).
- 4.3.3 In March 2013 Welsh Government published 'Vibrant and Viable Places: New Regeneration Framework'. Regeneration is defined in this framework as follows:
- 'an integrated set of activities that seek to reverse economic, social, environmental and physical decline to achieve lasting improvement, in areas where market forces will not do this alone without some support from government' (WG, 2013)*
- 4.3.4 The keystone principles of the Framework are partnership, strategy and sustainable development. This is a new framework with strong messaging on 'joining up' its delivery. For its part, the Welsh Government promises that its senior officials will ensure coherence between efforts on the ground and the Wales Infrastructure Investment plan.
- 4.3.5 Among the three priorities are Community First 'clusters' and key performance measures including levered in investment (including third sector investment), retention of spend through the Welsh supply chain, net additional jobs and people supported into work. These are pertinent areas in the context of CHC membership activity.
- 4.3.6 There are a number of current 'Area based programmes with regeneration implications' (pages 10-11) one of which is Housing-led regeneration about which it is observed that increasing the supply and standards of housing contributes to well-being of communities, particularly through the achievement of WHQS. The associated community benefits through procurement, job creation and training are noted as of value.
- 4.3.7 The Framework further acknowledges that larger third sector organisations such as Registered Social Landlords (RSLs) are *'becoming increasingly important partners in delivering major projects on local areas. RSL's are not only equipped to deliver capital projects but can reach marginalised groups through tenant engagement and empowerment. They have a unique relationship with some of our most marginalised communities'* (page 23).

4.3.8 The Vibrant and Viable Place Ministerial Advisory Group (MAG) is to support the Minister for Housing Regeneration and Heritage with the implementation of the new Framework, and will seek input from 14 'sectors' of which Housing is one.

#### **4.4 WERU estimates of Welsh Housing Association regeneration expenditure**

4.4.1 Respondents to the WERU spending questionnaire were asked to provide a rough estimate of the percentage of construction spend on greenfield development and brownfield development. For the 2013 survey they were also asked to provide estimates of how much they had spent on community regeneration over the year 2012/13, under specific headings such as digital inclusion projects, developing and supporting social enterprises, tenant employment and support schemes, energy efficiency, open space schemes; these being identified as the targeted regeneration activities, which are identifiable over and above the intrinsic regeneration effects of social housing total spending.

4.4.2 The figures shown in Table 4.1 below show housing association expenditures on brown field development for 2012/13 and an element of spending on greenfield sites that can be considered regenerative (around 15% of total reported greenfield construction spending), sourced from the 2012/13 survey. The survey also picked up around £113m of spending on maintenance and repair expenditure of housing stock.

**Table 4.1 Regeneration Spend – based on survey information only (excluding staff costs)**

	<b>2013</b>
	<b>£m</b>
<b>Brownfield construction</b>	<b>86.3</b>
<b>Greenfield construction associated with regeneration</b>	<b>4.5</b>
<b>Repair &amp; maintenance</b>	<b>113.8</b>
<b>Community Regeneration projects:</b>	<b>14.0</b>
Employment Support & Apprenticeships	0.77
Digital Inclusion	0.14
Social Enterprise	1.8
Community Investment Funds	0.94
Open Space Improvements	0.3
Financial Inclusion	0.54
Energy Efficiency	6.2
Empty Homes Initiatives	3.3
<b>Total</b>	<b>218.6</b>

4.4.3 Furthermore, the survey identified nearly £14m of expenditure on regeneration initiatives ranging from projects which improve community open spaces (physical regeneration) to work that helps individuals and communities to function better, such as financial and digital inclusion. Some of this work is case studied in section 4.5 below.

**Table 4.2 Estimated Regeneration Spend in the Welsh HA Sector (CHC members) 2012/13**

	<i>2013</i> <i>£m</i>
Brownfield construction	171.0
Greenfield construction assoc. with regeneration	8.5
Repair & maintenance	294.7
Training budgets	7.0
Community Regeneration projects and other expenditure	28.0
<b>Total</b>	<b>509.2</b>

#### **4.5 Regeneration Case Studies**

##### **4.5.1 Case Study 1 – CHC working with CREW**

Crew Regeneration Wales was established in early 2010 following recommendations by a Task and Finish Group which reported in 2009. The organisation was set up to deliver training, undertake research, and disseminate information and exchange experiences and best practice, with an overarching objective integrating regeneration practice across Wales. It has been recognised that, traditionally, regeneration has taken place across a number of distinct policy and professional domains, but would be more effective if these efforts were co-ordinated and cross-fertilised. CREW became part of the CHC group structure in 2010 to jointly champion regeneration and collaboration for communities.

In January 2013 a new Regeneration Officer post was created which is jointly funded by CHC and CREW, in response to the clarion of calls for greater collaboration in the field of regeneration. This means that CHC is firmly embedded within the family of practitioners, and that their organisational infrastructure is in place to ensure that best practice can be identified and communicated very rapidly and efficiently.

CREW's website is a first point of contact and a valuable resource. It offers guides, tool-kits, news of forthcoming conferencing events, and access to practitioner networks in Wales and the UK. CREW currently hosts two networks. The first is the Small Town Challenge which unites stakeholders concerned with the economic and commercial viability of small towns in Wales. A number of factors have created a

crisis for the small town in Wales, which are currently experiencing an excess of retail space; among these are the financial crisis, the growth of internet trading, a trend towards population dispersal, poor transport links, and competition from 'out of town' retail parks.

Together, Community Housing Cymru and CREW have launched a new 'Housing-led Regeneration Network' the principal role of which is to provide opportunities for policy information-sharing and best practice and to identify and recommend where effort should be focused. A Steering Group guides the strategic direction, supports project development, and organises events for the wider network.

The Housing-led Regeneration Network is managed by a relatively new post in CHC, (January 2013) jointly funded by CHC and CREW, in response to the clarion of calls for greater collaboration in the field of regeneration. This means that CHC is firmly embedded within the family of practitioners, and that their organisational infrastructure is in place to ensure that best practice can be identified and communicated very rapidly and efficiently. The Regeneration Officer provides a conduit between CHC and CREW Regeneration Wales and facilitates project development from priorities that emerge from the network. Current project areas being explored by the Regeneration Officer with members are digital inclusion, food poverty and local food production, family intervention and innovation in new build.

#### **4.5.2 Case Study 2 – Green Spaces Project Parc Peulwys– Cartrefi Conwy**

Cartrefi Conwy promised to set aside £3.5m in their transfer offer document for improving the communal green spaces on their estates. This was considered to be a bold pledge, and a considerable challenge for the housing professionals involved as there was very little knowledge or experience in relation to 'Green Space' improvements. Initially, the work was undertaken on small scale projects which were more reactive than strategic. Subsequently, the team decided that creating a larger impact in a specific area would help deliver greater strategic value to the community.

The new project specification was of sufficient scope to merit a bid for a Knowledge Transfer Partnership (KTP), for which Cartrefi Conwy was successful. The KTP set up the processes and methods of determining the area in most need of improvements and how to design and deliver the work. The role of the KTP Associate was to focus solely on this work, allowing for detailed investigations and a thorough understanding of the processes to be undertaken. The initial analysis of nine estates determined that the Peulwys estate was the area in most need of environmental/ green space improvements.

Following this decision, effort was focussed on putting together a project brief based on community mapping, environmental audits, profiling of the stock, liaison with the Local Authority and, most importantly, through community consultation. This has been a lengthy process, throwing up a plethora of hurdles which have included liaising with the highways authorities, the utility companies, incorporating alterations to plans based on community preferences and finally, obtaining planning permission for the scheme.

The improvements are anticipated to deliver many benefits to the local community. The area has suffered for years from negative perceptions in relation to anti-social behaviour and misunderstandings that the estate was going to be demolished and re-developed. This last factor resulted in residents losing confidence in it as a place to live. Two clear themes running through the project are the creation of a park-like atmosphere across the estate (hence the rebranding in 'Parc Peulwys') and the inclusion of educational elements wherever possible in the proposed improvements so that the estate becomes an extension of the classroom.

The sense of a park will be achieved with a new entrance and will continue through to a communal seating 'compass' area and two new play areas, in addition to landscaping around the estate, and attractive but functional features dotted around the estate which it is hoped will give residents a sense of pride in their neighbourhood. The 50 member strong 'Friends of Parc Peulwys' was formed through the consultation process and they have played a role in fund-raising and volunteering at community projects as part of the overall improvements.

Educational elements have been incorporated in the plans through the active involvement of the local school and these will include a nature trail, a human sundial, an information plaque in the entrance area, new natural woodland, and a wide variety of other planting schemes to encourage biodiversity and create a sense of local identity. In addition to landscaping, cul-de-sacs are to be reconfigured; paths along pedestrian desire lines are to be added; and additional parking provided.

In Spring 2012 the entire estate benefited from external wall insulation, which provided a springboard for the Green Space initiative. The external facades of all the homes under refurbishment were painted, providing a colourful backdrop for the environmental improvements to follow. With the work commencing in October 2013, the project will be put to the test, but there is a groundswell of support from the community for the proposals which is very encouraging. Cartrefi Conwy have already shared their experiences on this innovative project at a variety of network meetings and visits, and will continue to share the lessons learned from this initiative in the future.

**4.5.3 Case Study 3 – West Wales Community Land Trust - North Wales Housing Association (NWAHA)**

The Willows in Llangollen is a grade II listed building with historical links with 'The Ladies of Llangollen'. When North Wales Housing started working with Denbighshire County Council (DCC) on the building it had been empty for about 20 years. The project was supported by CADW (Welsh Historic Monuments), DCC, the town council and Welsh Government through the Social Housing Grant. The property now provides three flats and won a What House Award in 2012.

North Wales Housing is also one of the partners in the North Wales Coast Regeneration project working in Colwyn Bay and Rhyl. As part of this Initiative, the organisation has refurbished a number of properties, of which three were sold in Rhyl through an Empty to Affordable scheme, and three more are now let at an affordable rent and managed in partnership with West Rhyl Community Land Trust (CLT). North Wales Housing Association is now planning to work in partnership with the CLT to convert two former large Houses in Multiple Occupation (HMO's) into smaller two bed flats, with three to each property.

With the Wales Cooperative, they are exploring the possibilities of forming a cooperative as the best way forward as there is, potentially, a second larger scheme of 11 properties currently in multiple occupation, which the Welsh Government have asked NWAHA to look at. These are larger properties that could be split or reduced in size. Initial proposals are being drawn prior to further consultations with local residents who have registered with the CLT.

The benefit of working with the CLT is the close links to both the project and the local people living and working in the area. NWAHA will work closely at the outset with potential tenants in developing the detailed proposal from the start. Trainees from Llandrillo College will also be involved with carrying out some of the refurbishment works, which will support their curriculum learning.

**4.5.4 Case Study 4 – Cartrefi Cymunedol Gwynedd – Community Investment Fund**

A 5 year £1.25m investment programme was established in 2011 following an offer document promise. The programme, administered by Mantell Gwynedd<sup>5</sup>, provides up to £100,000 of support to community and voluntary groups in Gwynedd. Projects must show that they will improve the quality of life of residents. Projects ideas are currently being invited that will improve job prospects or community facilities, might promote volunteering, or even provide space for clubs etc. The fund can also be

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<sup>5</sup> <http://mantellgwynedd.com/english/amd.html>

used to support social enterprises, planning and developing websites, setting up transport schemes, or developing a business plan. The fund, is therefore, very flexible in its approach and potential application.

The fund is now in its third year and has a number of successes. By the end of Year 2 47 groups had received funding and over £280,000 had been distributed.

Interestingly, the programme has also been able to attract over £2m of additional funding. The programme provided match funding for the Vi-ability Educational Programme Social Enterprise, which was used to pay for a full time Community Manager at Bangor City Football ground. Encouraging membership of a football club has had a positive influence in the lives of its youth membership. The Manager runs weekly activities for a wide age range and for people with disabilities. Children are encouraged to engage in volunteering, environmental and media projects.

The fund has also been used to provide new play equipment at Rhostryfan Village, and set up community gardens including Deudraeth Community Garden. Many of these projects are kick-started by often quite small amounts of money. For example Bangor Community Kitchen was awarded £1000 to run a food hygiene course, while the Y Felinheli Youth Football team received £985 for new equipment, and Cywion Bach, Port Madog received just under £700 for a Breast Feeding Support Group.

These small amounts of money on events, improving the physical fabric of the community, or employing people can make large differences particularly if the ideas that they support can spread to others through strengthening the community spirit or by good ideas and enthusiasm being communicated by word of mouth.

**Digital Inclusion:** The Housing Association also approached Citizens Online to help them increase ICT use amongst residents at their sheltered housing estates. Citizens Online is a national charity set up to help people gain the benefits of ICT. They were able to supply refurbished PCs for each of the chosen pilot sites, and arrange a taster day for the residents. Deudraeth Cyf ran these sessions during the summer, focusing on the advantages of ICT to rural communities, and showing residents how easy it was to use Skype and email. The attendees considered the exercise a success and were keen to communicate their enthusiasm to other residents and local people.

#### 4.5.5 **Case Study 5 – RCT Homes – Meadow Prospect Community Mutual**

In December 2007, RCT Homes officially took over 11,000 homes, becoming Wales' largest social landlord. The organisation is a housing community mutual, and the first of its kind in Wales. The organisation's headquarters are in Tŷ Pennant, Pontypridd, but with a number of community housing offices in Penygraig, Tonyrefail, Aberdare and Porth.

It has a separate charitable arm called Meadow Prospect, the aim of which is to deliver regeneration projects. The organisation seeks to build community capacity by supporting employment initiatives, community based renewable energy projects and through encouraging social enterprise. During RCT Homes Major Improvement Programme (December 2007 to March 2013) Meadow Prospect has received around £250,000 per year. The arm also manages a community fund for Tower Colliery helping to support those who lost their jobs when the mine closed in 2008.

Meadow Prospect follows a very wide agenda from leveraging in money and resources to help specific community projects, helping to pay for individuals who co-ordinate initiatives, offering financial advice, and allocating grant money to community projects.

The Rhydyfelin Football Club project demonstrates how working in partnership with both public and private sector organisations can reap incremental benefits. The club is now leasing land from the local authority, and has been able to raise money from renting a part of it to Costain. This will be re-invested in refurbishing the club house, with the assistance of sub-contractors to RCT as part of their corporate and social responsibility remit. In-kind donations currently sum to over £60,000 and involve around 15 organisations. This project and others like it have been found to change community attitudes and reduce apathy. Moreover by engaging local businesses in this way, money is saved, strong networks are developed, and businesses have relevant targets on which to focus their social responsibility efforts; giving rise to modern philanthropy.

Meadow Prospect also helps to fund the co-ordinator for Ziggies (an after school club), which is being rolled out to 22 schools within RCT. It supports Action Camp which provides short residential camps in West Wales which promote sustainable development and global citizenship; 600 young people have attended so far.

It is very costly to learn to drive, yet not being able to can seriously hamper job prospects. Hence, the organisation also supported the GrEW Driving School, acquiring a dual control car and is now seeking to fund an instructor. It currently undertakes 23 driving lessons a week. Meadow Prospect has also appointed two money advisors who have helped 223 individuals, and saved them over £120,000 since July 2011.

#### **4.5.6 Case Study 6 - Newport City Homes: The Environment Improvement Fund (EIF)**

Newport City Homes (NCH) run a fund which local people can access to improve their community. The fund does not prescribe which projects will qualify but they should be linked to creating or improving facilities, encouraging social enterprise, reinforce local culture, provide training, or even improve safety and reduce crime.

The fund encourages applications from residents acting as groups. NCH provide help with these applications, which are then submitted to the EIF panel. Over 100

projects have been approved in the last 3 years, with £350,000 of funding distributed. As with other case studies, the amounts are quite small and yet can make a dramatic difference to a community.

Exemplars of the fund include £1,678 for tools and equipment to help maintain the Lliswerry Pond which lies at the heart of 4 Newport communities. The Pond is used by anglers and is now of a condition suitable for competitive angling, which then raises revenues which contribute to on-going maintenance.

A piece of wasteland in Bettws which was once a dumping ground is now being used as an allotment. The site is now immaculate, with a series of raised beds which are suitable for disabled and older residents to work in. This was pump-primed by £5000 from the fund. Longmeadow Court residents also saw improvements to their garden through the fund. Duffryn Community allotments also sprung from derelict land, and again this scheme has raised beds that can be more easily accessed. Solas in Stowe Hill was awarded £4,976 for a community gardening project involving homeless people. While gardening projects are clearly popular and effective landscape-changers, the fund is not confined to them. For example, VWE Ltd in Caerleon has installed a kitchen after receiving £5,000 from the fund. The kitchen is used for the Let's Cook project which encourages people of all age groups to prepare food together.

#### **4.5.7 Case Study 7 United Welsh The Empty Homes Project**

After writing a persuasive dissertation on Empty Homes, Michala Rudman, a student member on the Chartered Institute of Housing (CIH) Board, took on the role of Empty Homes Project Officer. The post was created by United Welsh in late 2012, largely in response to her research work. The role aims to support Local Authority partners in bringing empty homes into use, and involves working with Empty Homes and Environmental Health officers from Cardiff Council, Caerphilly County Borough Council and Blaenau Gwent County Borough Council, among others.

The project aims to equip each of the officers with the support, strategic knowledge and capacity to focus on empty homes. Officers liaise closely with Michala to create a list of priority empty homes, and to maintain their relationships with the property owners. A forum has been created to regularly bring together operational officers to share best practice, resources and information.

Independently of the local authorities, the role also offers support and guidance to home owners through the process of returning properties to use. This is done by working to identify opportunities, supplying a schedule of works to bring the property up to Welsh Housing Quality Standards, engaging approved contractors,

offering alternative options such as a referral for a reduced fee for open market sales and auction sales, and signposting to other relevant services.

The website <http://www.emptyhomeswales.co.uk/index.html> offers discounts for relevant goods and services, shares good practice, hosts news stories, blogs on empty homes, publishes case studies, reports the presence of empty homes, and provides a contact form for home owners. There are also links to various publications and strategies that inform Empty Homes work.

Michala regularly contributes to housing conferences, universities and other organisations and is active on Twitter (@emptyhousing) where she aims to maintain a high profile in the sector in order to share news stories, relevant and up to date information and to communicate with colleagues across Wales and the UK who are also working on Empty Housing issues.

Eleven properties have now been acquired (two having been secured via enforcement action with Caerphilly Council). Six further properties have been sold and one is an impending sale in Ebbw Vale which will provide affordable housing. A scheme is currently being piloted to facilitate the refurbishment of a property which will then be passed over to an Assisted Tenancy scheme already running in the area. If successful, this model could be rolled out with other properties in other local authority areas.

As an illustration an empty house in Caerphilly has been on Caerphilly County Borough Council's list of empty privately-owned properties for a number of years. An agreement was reached between the Council and United Welsh for the latter to take over the property following enforcement action. It has now been refurbished and is occupied by a family.

In the main, United Welsh's Empty Homes Project officer works with owners to apply for grant funding or loans, and United Welsh are then able to lease the property and contribute to its refurbishment. The role has also meant working closely with United Welsh's Finance Department to develop a viability model that can be applied to assess each property, accounting for refurbishment costs, rental income, loan repayments, maintenance costs, inflation, as well as an affordable annual management charge. Each property also has to be assessed in terms of acquisition costs and refurbishment costs which are set against anticipated income. The intention is that each property should provide affordable housing for an individual or a family so is leased at either social rents (purchased properties) or Local Housing Allowance (leased properties). The Houses into Homes Loans has been a welcome addition to the suite of options that can be considered.

The role also works closely with the Chartered Institute of Housing to promote the Empty Homes agenda more widely, by contributing to their networks and conference activities.

Other strategic projects include:

- The White Rose Project –working with Communities First, Caerphilly County Borough Council, mental health charities and the NHS to provide opportunities for certain client groups to gain work experience in the building and/or refurbishment of properties that ultimately they would occupy.
- Working with the HMPS to create housing opportunities for ex-prisoners who have completed an intensive jobs and training course prior to release.

The longer term challenges facing the initiative include encouraging even greater understanding of the project among relevant agencies and signposting how they can support and complement other schemes such as new lease letting, temporary/homeless accommodation, physical regeneration and community involvement. The website can continue to grow into an even greater resource for both empty home owners and housing professionals. There is great opportunity for this Empty Homes partnership model to be taken up by other Housing Associations and Local Authorities in Wales.

#### **4.6 Concluding Comments**

- 4.6.1 We have given examples of how some members of CHC have converted promises made in their offer documents into innovative realities that fully involve their communities, and have the prospect of creating environments of which residents are proud and will want to safeguard.
- 4.6.2 Much of this innovative thinking occurred prior to actual transfers and the challenge now is for them to ensure they deliver to their promises. The examples show that money set aside for specific regeneration projects is being spent imaginatively and with as much tenant engagement as possible.
- 4.6.3 This is not to underestimate the challenges involved. These include correctly judging the amount of engagement, making sure that the efforts and outputs from one project are used to inspire similar projects elsewhere, and maintaining momentum.
- 4.6.4 The contribution of the CHC Regeneration Officer through her work with CREW Regeneration Wales will ensure that good ideas and successes gain traction throughout the movement in Wales, that they will inspire trust, pride and

enthusiasm in the communities in which they operate, and eventually become the norm for HAs across Wales.

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Appendix 1: Spending Survey

<b>Economic Impact Questionnaire</b> Housing Association/Consortium Spending Survey	
<i>For further information on this survey or if you have any questions regarding it please contact: Jane Bryan on 029 20 876042 or Neil Roche 029 20 876648</i>	

Name of Housing Association/Consortium:

Contact Name:  Tel No:

Position:  Email:

**SECTION 1: EMPLOYMENT**

1a. Can you tell us the total number of people directly employed by your Housing Association/Consortium. Please count all employees for whom National Insurance contributions are paid, plus any working directors, partners and owners.

<i>Number of Staff:</i>	Full Time:	Part Time:	Total:
<i>Actual 2012/13</i>	<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>
<i>Estimate 2013/14</i>	<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>	<input style="width: 60px; height: 20px;" type="text"/>

1b. In addition, could you estimate the number of hours a part time member of staff would work per week on average. We realise this may vary by staff member & workload, but nevertheless your best estimate will be useful.

hours.

1c. Please can you estimate the number of volunteers active in your HA/Consortium (incl. board members)

*2012/13*  *Number of Volunteers*

**SECTION 2: EMPLOYMENT COSTS**

2. What are the total gross payroll costs for the following years (corresponding to employees. in Q1a)? (include NI, overtime and other staff costs, such as directors' or partners' remuneration)

£

<i>Actual 2012/13</i>	<input style="width: 60px; height: 20px;" type="text"/>
<i>Estimate 2013/14</i>	<input style="width: 60px; height: 20px;" type="text"/>

**SECTION 3: INCOME**

3. What was the total income of your Housing Association/Consortium, net of VAT, for 2012/13 ? In the challenging economic conditions we are particularly interested to know what sources of finance have been utilise and especially any innovative sources...

	Income (£)
<b>TOTAL INCOME</b>	<input style="width: 90%; height: 20px;" type="text"/>
<b>which came from:</b>	
Social Housing Grant	<input style="width: 90%; height: 20px;" type="text"/>
Other Grants (.....)	<input style="width: 90%; height: 20px;" type="text"/>
Rents (incl. commercial & residential)	<input style="width: 90%; height: 20px;" type="text"/>
Sales (Property and Services)	<input style="width: 90%; height: 20px;" type="text"/>
Borrowings	<input style="width: 90%; height: 20px;" type="text"/>
Other (.....)	<input style="width: 90%; height: 20px;" type="text"/>
Other (.....)	<input style="width: 90%; height: 20px;" type="text"/>

**SECTION 4: EXPENDITURE**

4. Please provide your best ESTIMATE of the value and destination of your association/consortium expenditure for the period 2012/13 under each of the following headings.

For example if £1,000 of your spending was on Finance and Business Services and 80% was sourced in Wales then £1,000 would go in the first column [A], and 80% in the second column for that category [B].

Destination of expenditure is defined as the location where goods are purchased from, not where the goods originated or were manufactured.

PLEASE EXCLUDE VAT & DIRECT STAFF COSTS. IF YOU ARE UNABLE TO EXCLUDE VAT PLEASE TICK HERE (dropdown)

OPERATIONAL EXPENDITURE 2012/13	[A] Expenditure (£)	[B] % spent in Wales	[C] % spent in rest of UK
Energy/water for HA offices/HQ etc			
Rents & Rates			
Hotels/Distribution (HA expense items)			
Training Services			
Finance and business services			
Transport/post/telecoms etc			
Consumables paper/office stationery etc			
Construction			
Land Acquisition			
Maintenance & Repair (existing & acquired dwellings)			
Other (please specify):			
Other (please specify):			
<b>TOTAL</b>			

Please feel free to add further categories if applicable.

Please leave categories blank where no expenditure was incurred.

**SECTION 5: REGENERATION RELATED EXPENDITURE**

- 5a. Please can you provide a rough ESTIMATE of the following percentages

percentage of CONSTRUCTION spend which was spent on:

Greenfield Development	
Brownfield Development	

- 5b Please can you provide a rough ESTIMATE of the following revenue spending for 2012/13

Estimated amount spent on community regeneration projects (£)	
Employment support and apprenticeships	
Digital inclusion	
Social enterprise	
Community investment funds	
Open space improvements	
Financial inclusion	
Energy efficiency	
Empty Homes	
<b>Total (£)</b>	

**Appendix 2: Additional Homes Survey 2012/13**

**Table A1 Additional Homes provided 2012/13 by Tenure (Source: CHC)**

<b>LOCAL AUTHORITY AREA</b>	<b>Rented</b>	<b>LCHO</b>	<b>Total</b>
Isle of Anglesey	106	5	111
Gwynedd	63	10	73
Conwy	18	20	38
Denbighshire	28	20	48
Flintshire	11	4	15
Wrexham	1	14	15
Powys	92	0	92
Ceredigion	56	0	56
Pembrokeshire	59	0	59
Carmarthenshire	44	2	46
Swansea	106	7	113
Neath Port Talbot	74	0	74
Bridgend	23	0	23
Vale of Glamorgan	103	0	103
Cardiff	298	2	300
Rhondda Cynon Taf	75	3	78
Merthyr Tydfil	65	0	65
Caerphilly	133	6	139
Blaenau Gwent	111	10	121
Torfaen	44	12	56
Monmouthshire	79	7	86
Newport	125	26	151
<b>WALES</b>	<b>1714</b>	<b>148</b>	<b>1862</b>

**Table A2 Additional Homes provided 2012/13 with and without grant (Source: CHC)**

<b>LOCAL AUTHORITY AREA</b>	<b>SHG</b>	<b>Non-SHG</b>	<b>Total</b>
Isle of Anglesey	107	4	111
Gwynedd	63	10	73
Conwy	22	16	38
Denbighshire	34	14	48
Flintshire	14	1	15
Wrexham	6	9	15
Powys	81	11	92
Ceredigion	5	51	56
Pembrokeshire	49	10	59
Carmarthenshire	39	7	46
Swansea	39	74	113
Neath Port Talbot	45	29	74
Bridgend	1	22	23
Vale of Glamorgan	39	64	103
Cardiff	109	191	300
Rhondda Cynon Taf	57	21	78
Merthyr Tydfil	64	1	65
Caerphilly	98	41	139
Blaenau Gwent	77	44	121
Torfaen	44	12	56
Monmouthshire	15	71	86
Newport	95	56	151
<b>WALES</b>	<b>1103</b>	<b>759</b>	<b>1862</b>

**Table A3** Number of additional homes which were built, renovated or acquired in the financial year 2012/13 (Source: CHC)

<b>LOCAL AUTHORITY AREA</b>	<b>Built</b>	<b>Renovated</b>	<b>Acquired</b>	<b>Total</b>
Isle of Anglesey	98	8	5	111
Gwynedd	61	1	11	73
Conwy	28	3	7	38
Denbighshire	26	7	15	48
Flintshire	11	0	4	15
Wrexham	11	0	4	15
Powys	91	0	1	92
Ceredigion	5	51	0	56
Pembrokeshire	49	10	0	59
Carmarthenshire	39	4	3	46
Swansea	49	54	10	113
Neath Port Talbot	44	27	3	74
Bridgend	0	0	23	23
Vale of Glamorgan	73	0	30	103
Cardiff	155	34	111	300
Rhondda Cynon Taf	57	2	19	78
Merthyr Tydfil	60	4	1	65
Caerphilly	115	0	24	139
Blaenau Gwent	99	5	17	121
Torfaen	35	0	21	56
Monmouthshire	63	0	23	86
Newport	98	8	45	151
<b>WALES</b>	<b>1267</b>	<b>218</b>	<b>377</b>	<b>1862</b>

