




Llywodraeth Cymru
Welsh Government



**Welsh Government
Existing Dwelling (ED)
and Off the Shelf (OTS)
Property Guidance for
Registered Social Landlords
and Local Authorities**

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Version 1

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1. Introduction

- 1.1. The following guidance is intended for Grant Recipients (Registered Social Landlords (RSLs) and Local Authorities (LAs) who are purchasing Existing Dwellings (EDs) and Off the Shelf (OTS) properties with grant funding from Welsh Government (WG) either through the Social Housing Grant (SHG) Programme, or the Transitional Accommodation Capital Programme (TACP) or using Recycled Capital Grant (RCG).
- 1.2. SHG and TACP criteria and processes have been aligned to maximise the number of homes being delivered across Wales to help reduce the numbers of people in temporary accommodation. Although most criteria have been fully aligned, where there are some differences, this is clearly stated throughout this document.
- 1.3. Please note, Grant is not available for the purchase of any properties required as a planning condition/part of a Section 106 agreement.
- 1.4. This guidance applies to all ED and OTS properties that have been included in the SHG/RCG and TACP programmes from 2023/24 onwards. All funding, technical scrutiny and standards requirements are contained within this guidance. Standards are based on WDQR2021 and WHQS.

2. Definitions

Existing Dwellings (EDs)

- 2.1. A property to be purchased on the open market which has previously been in private ownership and where improvements/repairs may be required to be undertaken. This will include:
 - Former RSL and LA Right to Buy (RTB) and former RSL Right to Acquire (RTA) properties which are generally referred to as buybacks.
 - Long-term empty properties i.e. where a property has been empty for more than twelve months.
 - The purchase of vacant properties from private landlords.
 - The purchase of tenanted properties from private landlords (TACP only).
 - The purchase of a House in Multiple Occupation (HMO) from private landlords to convert into self-contained accommodation.
 - The purchase of former Homebuy/Shared Ownership properties.
 - The purchase of existing Homebuy/Shared ownership properties, where the owners are selling their properties but are not in mortgage difficulties.
- 2.2. The purchase of a HMO which remains as a HMO can only be funded by TACP.

2.3. Please note, although the following are considered Existing Dwellings they are not covered by this guidance:

- EDs which are being purchased for learning disabilities or physical disabilities. These are funded via the SHG/RCG route and require full technical scrutiny i.e. concept and pre-planning.
- If an existing Homebuyer or Shared Ownership owner is in mortgage difficulties, consideration may be given to providing support either through grant funded Mortgage Rescue or downward stair-casing. This can be funded via RCG. Although they do not require technical scrutiny, they are recorded as Mortgage Rescue on the portal.
- If an Owner Occupier is in mortgage difficulties, consideration may be given to Mortgage Rescue. Mortgage Rescue is where a RSL/LA purchases a property outright so the homeowner avoids mortgage repossession which would have resulted in homelessness and becomes a secure tenant (SHG/RCG only). Again, these are recorded as Mortgage Rescue on the portal.

Off the Shelf (OTS)

2.4 Where completed previously unoccupied properties are provided by a developer (who has the responsibility for the scheme design) and where any required modifications will cost no more than 5% of the untenanted open market value of the property at purchase.

Housing (Wales) Act 2014

2.5 Section 62 of the Housing (Wales) 2014 Act places a duty on local authorities to assess applications for homelessness support.

2.6 Section 66 of the Housing (Wales) Act 2014 provides a duty on local authorities to prevent an applicant becoming homeless.

Code of Guidance for Local Authorities on the Allocation of Accommodation and Homelessness (March 2016)

2.7 The Allocation of Accommodation and Homelessness Local Authority Code of Guidance (the Code), defines homeless at home as being where a person who has accommodation is to be treated as homeless where it would not be reasonable for them to continue to occupy that accommodation.

3 Roles

Role of Local Authority

- 3.4 LAs are responsible for developing and implementing local housing strategies and having a thorough understanding of the housing need and strategic priorities for grant funding in their areas.
- 3.5 Ensuring the purchase of EDs and OTS properties through either the SHG and TACP programmes and/or use of RCG, reduces the number of people in temporary accommodation.

Role of Grant Recipients

- 3.6 Bringing forward EDs and OTS properties which meet the strategic aims of their LA partners and their stock holdings.
- 3.7 Ensuring that all EDs and OTS purchased with grant meet the criteria outlined in this guidance.
- 3.8 Provide timely, realistic and accurate monitoring information either via the Portal for SHG and RCG funded schemes or via TACP monitoring arrangements.

Role of Welsh Government (Housing Funding and TACP Teams)

- 3.9 Provide formal sign off to agree the inclusion of EDs and OTS in either the Programme Delivery Plan (PDP) or TACP.
- 3.10 Administer the process for scheme approval and payment of grant for EDs and OTS properties.
- 3.11 Undertake sample checks to ensure properties meet Technical Standards and where necessary take appropriate and proportionate action if there are areas of non-compliance.
- 3.12 Provide advice and support for any queries. Queries should be addressed to:

SHG	TACP
socialhousinggrantprogramme@gov.wales	TransitionalCapitalProgramme@gov.wales

4 SHG and TACP Programmes

SHG

- 4.4 LAs are responsible for including EDs and OTS where there is capacity in their Main Programme or where they are choosing to allocate available RCG in their area.
- 4.5 The Housing Funding team formally signs off the Programme Delivery Plan (PDP) which is accessed via the “Manage Homes and Places” Portal.

TACP

- 4.6 LAs are responsible for proposing which EDs and OTS are to be prioritised following the call for Expressions of Interest (EOI).
- 4.7 The TACP team formally signs off the TACP Programme for each LA area.

5 Allocations and Types of Contracts

Background

- 5.1. Prior to the introduction of the Transitional Accommodation Capital Programme (TACP), the purchase of Existing Dwellings (ED) and Off The Shelf (OTS) properties was carried out by Registered Social Landlords (RSLs) and LAs through the Social Housing Grant (SHG) Programme with properties allocated in accordance with the allocation policy in place in the local authority area and let on a long-term basis.
- 5.2. Under TACP, any ED and OTS properties purchased could only be allocated to tenants who were currently living in temporary accommodation. This included everyone in housing need including people experiencing homelessness, and those being resettled from Syria, Afghanistan and Ukraine. Properties could be allocated either on a transitional or long-term basis:
 - a. Transitional accommodation, i.e. the Social Landlord issues a Standard Contract and the tenant/s move when a long-term property becomes available.
 - b. Long term accommodation i.e. the Social Landlord issues a Secure Contract.
- 5.3. Welsh Government aims to ensure that those experiencing homelessness are provided with homes as quickly as possible as this will help avoid the destabilising and marginalising effects of prolonged homelessness or

prolonged stays in emergency or temporary settings while remaining homeless.

- 5.4. In aligning SHG and TACP criteria, further consideration has been given to allocations and types of contracts which is outlined below.

Property Allocation

- 5.5. The following allocation principles apply to all ED and OTS properties purchased with either SHG, RCG or TACP grant.
- 5.6. Local Authorities and Registered Social Landlords should work together on the allocation of ED and OTS properties, on the following cascade basis.
- i. First priority should be given to applicants currently residing in temporary accommodation, including within resettlement schemes, for whom the property is both suitable and meets their housing need.
 - ii. Where the property cannot be allocated to applicants in temporary accommodation, second priority should be given to applicants who are homeless at home and would otherwise need to occupy temporary accommodation. Again, the property must be suitable and meets their housing need.
 - iii. Where the property cannot be allocated to applicants who are homeless at home, third priority should be given to those who are under a S66 duty who would otherwise need to occupy temporary accommodation, and for whom the property is suitable and meets their housing need.
- 5.7. The decision-making process should be underpinned by a thorough understanding of the applicant's or household's needs, taking a person centred, trauma informed approach, informed by their personal housing plans (PHPs). This should include considering the length of time that a person or family may spend or has spent in temporary accommodation. Social landlords should be particularly mindful of reducing the use of hotel and B&B accommodation, particularly for families with children.
- 5.8. Decisions for allocating properties must be made in consideration of all the above factors, with discussions taking place with local authorities where necessary, to ensure an understanding of the housing need of those households.

Type of Contract

SHG and RCG

5.9. ED or OTS properties can only be let on a Long-term basis:

- Long term accommodation i.e. the Social Landlord issues a Secure Contract.

5.10. If the tenant/s move, the property must be relet to someone/household who are currently living in temporary accommodation, including those in resettlement schemes, those homeless at home and those under a S66 duty, reflecting the cascade criteria and personal considerations outlined above.

TACP

5.11. ED or OTS properties can either be let on a Transitional or Long-term basis:

- a. Transitional accommodation, i.e. the Social Landlord issues a Standard Contract and the tenant/s move when a long-term property becomes available. When the property is re-let it must be allocated to someone/household using the cascade criteria listed above, taking into account individual housing need.
- b. Long term accommodation i.e. the Social Landlord issues a Secure Contract. If the tenant/s move, the property must be relet to someone/household using the cascade criteria described above, taking into account individual housing need.

Allowable exceptions to TACP and SHG allocations

5.12. In the unlikely event there is no-one in the above categories available to take up a tenancy for a specific property, once all options have been considered, the property can be let in accordance with the allocation policy currently in place for the local authority area, which should still be reflective of and driven by local housing need.

5.13. Existing Dwellings tend to be purchased singly, while OTS properties tend to be purchased in small batches across various new developments. In certain circumstances, it may be considered more appropriate to let a particular property in accordance with the allocation policy currently in place for the local authority area.

5.14. Where this occurs, a similar sized property can be made available as a suitable swap and can be from the following:

- A Local Authority's current Main programme – either RSL or LA property
- A Local Authority's development programme i.e. a property funded from the HRA i.e. contained in the LA's Workbook.

- A property purchased from a RSL's own resources.
- 5.15. Please note, standard re-lets from a social landlords existing stock are not considered to be a suitable swap as this does not provide any additionality.

Monitoring of Allocations

- 5.16. Allocations i.e. first lettings of all ED and OTS purchases will be monitored via an annual return to ensure that properties have been allocated appropriately. Social Landlords will be required to confirm where the occupant was rehoused from e.g.
- Temporary Accommodation - Bed & Breakfast
 - Temporary Accommodation - Caravan Park
 - Temporary Accommodation - Hotel
 - Temporary Accommodation - Hostel
 - Temporary Accommodation - PRS
 - Temporary Accommodation - RSL
 - Temporary Accommodation - LA
 - Refugee Scheme – Ukraine
 - Refugee Scheme – Other
 - Homeless at home
 - S66 duty
 - Social Housing List

6. Intervention Rate

- 6.1. The Capital Funding application form calculates the amount of grant available for properties using the Standard Viability Model (SVM). WG will fund the amount calculated unless the Grant Recipient confirms they require additional grant funding due to viability issues.
- 6.2. In these circumstances, WG will fund the amount of grant required by the grant recipient's internal viability assessment, but up to a maximum of 70% of total scheme cost.

7. Application Form

- 7.1. All applications for SHG, TACP or RCG funding must be made using the Capital Funding Application form. The form can be used for single or batched purchases. Sections 8 to 13 explain the differences in the funding stages between EDs and OTS.

- 7.2. Applications will only be considered for approval if they are included in either the PDP/ portal for SHG/RCG or within the TACP programme agreed and signed off by the TACP team.
- 7.3. Applications must be submitted to the relevant SHG or TACP mailbox. Please do not sent applications or plans to individual team members of Housing Funding, TACP or Housing Quality Standards.

SHG	TACP
socialhousinggrantprogramme@gov.wales	TransitionalCapitalProgramme@gov.wales

- 7.4. The relevant WG team i.e. either the Housing Funding or TACP team will be responsible for issuing the Acquisition stage approval.
- 7.5. Unless otherwise stated within the guidance, technical scrutiny will be carried out on a spot check basis, where floor plans only (existing and proposed) will be required.

8. Acquisition Stage – Existing Dwellings – Application and Approval

- 8.1. There are two application and approval stages for Existing Dwellings – Acquisition Stage and Construction Stage.
- 8.2. The purpose of the Acquisition Stage application is to seek approval for grant funding for the acquisition of the property and to advise WG of the key details relating to the property.
- 8.3. The purpose of the Construction Stage application is to seek approval for grant funding for the works costs of the property and to advise WG of the key details.
- 8.4. A combined application can be made if it includes purchase of the property and the work has been tendered. Please ensure that your combined application covers the requirements of both acquisition and construction stages.

Timing of Acquisition and Construction Stage Applications

- 8.5. Acquisition and Construction applications can be made:
- Separately either within the same financial year, or acquisition stage in one year and the Construction stage the next.
 - Simultaneously - this is only possible if:

- the acquisition has been agreed with the vendor and the works have been tendered and final costs known.
- the ED has already been purchased by the social landlord and the works have been tendered and final costs known.

8.6. Following acquisition of the ED, it is up to the social landlord to consider whether it is appropriate to:

- carry out any works immediately i.e. prior to letting.
- while the tenant is in situ i.e. the works are carried out; or
- to let the property and decant the tenant when the work is being carried out.

8.7. Whichever option is preferred, the whole approval and payment process must not take longer than two financial years.

Batching

8.8. Existing Dwelling applications can be either processed individually or in a batch. While Batching can save time when completing the Capital Funding Application form, grant recipients should consider the following:

- Up to 10 properties can be included in a batch.
- The batching process records the property details for each ED separately on the batching page, including the:
 - Purchase Price.
 - Main contract works.
 - VAT.
 - Procurement Route.
 - On-costs for acquisition and works.
 - Total cost.
- Each cost is totalled, and the grant recipient is required to transfer the totals to the Cost Details tab. The process is straightforward and the grant allowable is calculated on the SVM outcome page.
- The same properties should be included in the batch at acquisition and construction stage.
- If a sale falls through following approval, the property is removed from the batch and a revised approval is issued.
- Grant can only be paid if a Solicitor's Certificate of Title is provided for all properties in a batch. At year end, if a sale is delayed, consideration will be given to removing the property and a revised approval issued for the batch with a separate approval provided for the ED which is delayed.

Acquisition Stage Application

8.9. The purpose of the Acquisition Stage application is to seek approval for grant funding for the acquisition of the property and to advise WG of the key details which include:

- Purchase price and valuation of the property.
- Number and type of properties to be purchased.
- Amount of grant to be claimed at Acquisition stage.
- Estimated grant to be claimed at Construction stage.

8.10. The Acquisition Stage application must include:

- A fully completed Capital Funding Application Form (please ensure you use the latest version of the form).
- A Valuation Report

8.11. If the ED is selected for a spot check, the social landlord will be required to provide floor plans showing existing and proposed layouts.

Capital Funding Application Form

8.12. Please note the following good practice tips:

TAB	Good Practice Tips	
Menu & Cert	Please ensure the Acquisition Stage Certification is signed.	
Comments	Please do not leave this page blank. Please ensure you provide the mandatory information below together with any other information you consider will aid the assessment of your scheme application.	
	Design	<p>Mandatory Statements for inclusion.</p> <p>Social Landlords are responsible for choosing the relevant statement which matches the property being purchased. The statements are intended for clarity, compliance and to assist with the prompt assessment of applications.</p> <p>Please note, some statements require social landlords to insert the property code and some statements require social landlords to delete certain wording so that the statement applies correctly to the application. Where</p>

	<p>properties are being batched – you will need to ensure there is a statement for each property.</p> <ul style="list-style-type: none"> • The property meets WDQR. Although floor plans are not required for this application, it is understood that floor plans may be requested by Welsh Government for spot check purposes. • The property meets WHQS. Although floor plans are not required for this application, it is understood that floor plans may be requested by Welsh Government for spot check purposes. • The property does not meet WHQS, but with minor physical adjustments will fully meet WHQS. It is the double bedroom(s)/single bedroom(s) (delete as appropriate) that does not meet WHQS. Works for the adjustments have been included in the scheme costs. Floor plans have been provided as required by Welsh Government. • The property does not meet WHQS and has been redesignated from a XpXb to a XpXb. The rent for a XpXb would have been £x, but following re-designation to a XpXb, the rent is now £x as stated on the property details tab. Although floor plans are not required for this application, it is understood that floor plans may be requested by Welsh Government for spot check purposes. • One or more single bedroom(s) are between 4.7m² and 6.5m². In purchasing the property, the Social Landlord is confirming that the reduced sized room will only be used for sleeping by a child under ten years of age at any time in the future. Where the property is allocated to a family with a child under 10, the Social Landlord will fully explain to the tenant at the outset, and plan with them, the need to move to a larger property once the child reaches the age of 10, to comply with relevant legislation. Floor plans have been provided as required by Welsh Government.
Scheme Details	<p>Please complete all relevant cells.</p> <p>For Stage, it is essential that you choose the correct drop down i.e. “Acquisition” for an acquisition application. If the application is for acquisition and construction, choose “Combined”.</p>

	<p><u>Batched properties</u></p> <ul style="list-style-type: none"> • The batched properties should have one Scheme Ref No as per the PDP • Under Scheme Name, give your batch a name; e.g. Cartrefi Conwy – Batch 1 – 2023-24 • For Scheme Address, Scheme Post Code, Eastings and Northings type “Various”. You will get a chance to input these on the Batch Existing Dwellings tab. • Is this an Empty Property? - choose option “batch existing dwelling”. You will get a chance confirm this on the Batch Existing Dwellings tab.
Property Details	<p>All cells must be completed except “Client bedspaces”.</p> <ul style="list-style-type: none"> • Please note, for the SVM calculation to calculate properly, the drop-down box selected for the “Housing Category as per SVM” should be “General Needs – Existing Dwelling”. • The rent per week is the rent the grant recipient is charging at today’s rates. <p><u>Batched properties</u></p> <ul style="list-style-type: none"> • Enter details of all properties in the batch in the same order as on the batching page.
Cost Details	<p>Select the appropriate procurement route from the drop down box if it is a single property application. You will need to calculate the works element as a percentage of the open market value of the property:</p> <p>Existing Dwelling up to 5%: applicable on-cost is 4.5% Existing Dwelling over 5%: applicable on-cost is 7% Existing Dwelling over 25%: applicable on-cost is 18%</p> <p>Insert all applicable costs in the General Needs – Existing Dwelling column.</p> <p><u>Batched properties</u></p> <ul style="list-style-type: none"> • Procurement Route – Choose “batch existing dwellings” from the drop-down menu (scroll to the bottom). • Insert cost details in General Needs – Existing Dwellings column. Remember to add all the purchase price figures together, all the Main Contract figures together and all the VAT figures together. •
Other subsidy	<p>In general, it is unlikely that the property will be receiving “other subsidy” and can left blank.</p>

Exceptional Provision	This should only be completed if the future tenant is known and has specific needs. Please ensure relevant supporting details are also provided on the comments page.
Abnormals	In general, this is for newbuild schemes and can be left blank.
Acquisition	Please ensure all cells are completed. This page confirms the amount of grant that can be drawn down at acquisition stage. <u>Batched properties</u> <ul style="list-style-type: none"> • Insert combined purchase price of all properties in batch. • Insert combined valuation of all properties in batch.
Construction	Can be left blank at Acquisition stage if this is an acquisition only application but will need to be completed if it is a combined application.
Batch Existing Dwellings	Insert each Property Address, Eastings, Northings, Empty Property status, EPC Rating on Completion, Purchase Price, Main Contract and VAT. Each property should have its own line. The validation checks at the top of the page are automated calculations and will turn green if the information appears to be correct and red if there is an error. Please provide the property address and the corresponding property type and weekly rent value.
SVM Grant Outcome	All cells are calculated.
Progress and Approval	This page is completed by WG.

EDs approved by Housing Funding Team

8.13. The Housing Funding team will:

- Issue an Acquisition approval i.e. a copy of the Capital Funding Application form signed by one of the team and with any necessary amendments.
- Update the Portal as necessary.

EDs approved by TACP

8.14. The TACP team will:

- Issue a Grant Award Letter which will need to be signed and returned.
- Issue an Acquisition approval i.e. a copy of the Capital Funding Application form signed by one of the team and with any necessary amendments.
- Update the TACP programme information.

9. Acquisition Grant Payment – Existing Dwellings

9.1. Following Acquisition stage approval, Grant recipients can submit a grant claim for Acquisition grant. To claim Acquisition grant, you are required to submit the following information:

SHG/RCG

- A fully completed SHG grant claim form.
- An updated valuation report or letter if the valuation is not in date at exchange of contract.
- Scanned copy of the appropriate Solicitors Certification of Title (there are different formats for RSLs and LAs).

TACP

- Signed TACP Grant Award letter (if not already submitted).
- A fully completed TACP grant claim form.
- An updated valuation report or letter if the valuation is not in date at exchange of contract.
- Scanned copy of the appropriate Solicitors Certification of Title (there are different formats for RSLs and LAs).

9.2. The legal charge/restriction put in place and evidence of registration of the same with the Land Registry and Financial Conduct Authority (FCA) does not need to be submitted but should be retained on the Post Completion Review file.

SHG & TACP

9.3. Acquisition grant will be paid by WG subject to the grant claim complying with the following requirements:

- The property is in the SHG or TACP programme.
- An acquisition approval has been issued by Welsh Government.

- The Solicitor’s Certificate of Title is in the correct format. Scanned copies which are not on headed paper, are unsigned, do not contain an exchange of completion date are not acceptable.
 - An authorised signatory must sign all relevant documents.
 - By signing the Acquisition grant claim the signatory is confirming that all relevant original documentation is held and will be retained by the grant recipient in the Review File for inspection at Post Completion Review (refer to the current edition of Welsh Government Technical Review Submission Procedures for details of the Post Completion Review process).
- 9.4. Acquisition grant will be paid from SHG in the month specified on the PDP, to the value specified and only if the completion has occurred.
- 9.5. Acquisition grant will be paid from TACP to the value specified in the grant award letter and only if the completion has occurred.

10. Construction Stage – Existing Dwellings – Application & Approval

- 10.1. The purpose of the Construction Stage application is to seek approval for grant funding for the works costs of the property and to advise WG of the key details which include:
- Final Works costs for the property.
 - Number and type of properties.
 - Amount of grant to be claimed.
 - Any updated information from Acquisition stage.
- 10.2. The Construction Stage application must include:
- A fully completed Capital Funding Application Form (please ensure you use the latest version of the form)

Capital Funding Application Form

- 10.3. If this is a construction only application, you can re-submit the approval form issued at Acquisition approval stage, but only if it contains the assumptions and ACGs that are currently in operation. If the form has been updated, you need to submit the Construction Stage Application on the latest version. The table below includes some good practice tips.

TAB	Good Practice Tips
Menu & Cert	Please ensure the Construction Stage Certification is signed.

<p>Comments</p>	<p>Please provide information which you consider will aid the assessment of your scheme application. Do not leave blank.</p>		
	<table border="1"> <tr> <td data-bbox="483 347 647 674"> <p>Design</p> </td> <td data-bbox="647 347 1457 674"> <p><u>Construction Stage only application</u> The mandatory design statement will have been covered in the acquisition stage application/approval.</p> <p><u>Combined Application (Acquisition & Construction</u> Please ensure that the mandatory design statement is included.</p> </td> </tr> </table>	<p>Design</p>	<p><u>Construction Stage only application</u> The mandatory design statement will have been covered in the acquisition stage application/approval.</p> <p><u>Combined Application (Acquisition & Construction</u> Please ensure that the mandatory design statement is included.</p>
<p>Design</p>	<p><u>Construction Stage only application</u> The mandatory design statement will have been covered in the acquisition stage application/approval.</p> <p><u>Combined Application (Acquisition & Construction</u> Please ensure that the mandatory design statement is included.</p>		
<p>Scheme Details</p>	<p>Please complete all relevant cells.</p> <p>For Stage, it is essential that you choose the correct drop down i.e. “Construction”, unless it is a combined application (acquisition and construction).</p> <p><u>Batched Properties</u></p> <ul style="list-style-type: none"> • The batched properties should have one Scheme Ref No as per the PDP. • Under Scheme Name, give your batch a name; e.g. Cartrefi Conwy – Batch 1 – 2023-24. • For Scheme Address, Scheme Post Code, Eastings and Northings type “Various”. You will get a chance to input these on the Batch Existing Dwellings tab. • Is this an Empty Property? - choose option “batch existing dwelling”. You will get a chance confirm this on the Batch Existing Dwellings tab. 		
<p>Property Details</p>	<p>All cells must be completed except “Client bedspaces”.</p> <ul style="list-style-type: none"> • Please note, for the SVM calculation to calculate properly, the drop-down box selected for the “Housing Category as per SVM” should be “General Needs – Existing Dwelling. • The rent per week is the rent the grant recipient is charging at today’s rates. <p><u>Batched Properties</u></p> <ul style="list-style-type: none"> • Enter details of all properties in the batch. 		
<p>Cost Details</p>	<p>Select the appropriate procurement route from the drop-down box if it is a single property application. You will need to calculate the works element as a percentage of the open market value of the property:</p>		

	<p>Existing Dwelling up to 5%: applicable on-cost is 4.5% Existing Dwelling over 5%: applicable on-cost is 7% Existing Dwelling over 25%: applicable on-cost is 18%</p> <p>Insert all applicable costs in the General Needs – Existing Dwelling column.</p> <p><u>Batched Properties</u></p> <ul style="list-style-type: none"> • Procurement Route – Choose “batch existing dwellings” from the drop-down menu (scroll to the bottom). • Insert cost details in General Needs – Existing Dwellings column. Remember to add all the purchase price figures together, all the Main Contract figures together and all the VAT figures together.
Other subsidy	In general, it is unlikely that the property will be receiving “other subsidy” and can left blank.
Exceptional Provision	This should only be completed if the future tenant is known and has specific needs. Please ensure relevant supporting details are also provided on the comments page.
Abnormals	In general, this is for newbuild schemes and can be left blank.
Construction	This tab will need to be completed if it is a combined application or construction only. It confirms the contractors name and start on site, together with the amount of SHG allowable.
Batch Existing Dwellings	<p>Insert each Property Address, Eastings, Northings, Empty Property status, EPC Rating on Completion, Purchase Price, Main Contract and VAT. Each property should have its own line.</p> <p>The validation checks at the top of the page are automated calculations and will turn green if the information appears to be correct and red if there is an error. Please provide the team with the property address and the corresponding property type and weekly rent value</p>
SVM Grant Outcome	All cells are calculated.
Progress and Approval	This page is completed by WG.

11. Construction Payment – Existing Dwellings

Grant Recipient – RSLs

11.1. Following Construction stage approval, RSLs can submit for the works element of the grant. To claim Construction stage grant, RSLs are required to submit the following information:

- A fully completed grant claim form.
- Confirmation that a build contract is in place with a start on site date no later than the last working day of April the next financial year.

11.2. Construction grant will be paid by Welsh Government subject to the grant claim complying with the following requirements:

- The property is included with the SHG or TACP programme.
- Construction Stage approval has been issued by Welsh Government.
- An authorised signatory must sign all relevant documents.
- By signing the Construction grant claim the signatory is confirming that all relevant original documentation is held and will be retained by the grant recipient in the Review File for inspection at Post Completion Review (refer to the current edition of Welsh Government Technical Review Submission Procedures for details of the Post Completion Review process).

Grant Recipient – LAs

11.3. Following Construction approval, LAs can submit for construction grant based on spend to date. To claim Construction grant you are required to submit the following Information:

- A fully completed Grant claim form.
- Payment notices showing the value for work completed to date on the scheme. These need to be on headed paper and signed by a suitably qualified independent professional e.g. QS/Employers Agent.

11.4. Construction stage grant will be paid by WG subject to the grant claim complying with the following requirements:

- The property is included in the SHG or TACP programme.
- A construction stage approval has been issued for the property by WG.
- An authorised signatory must sign all relevant documents.
- By signing the Construction grant claim the signatory is confirming that all relevant original documentation is held and will be retained by the grant recipient in the Review File for inspection at Post Completion Review. (Refer to the current edition of Welsh Government Technical Review Submission Procedures for details of the Post Completion Review process).

- 11.5. Construction grant will be paid from SHG in the month specified on the PDP, to the value specified and only if the required documentation has been submitted.
- 11.6. Construction grant will be paid from TACP to the value specified in the grant award letter and only if the required documentation has been submitted.

12. Acquisition Stage – Off the Shelf – Application & Approval

- 12.1. There is just one application and approval stage for Off the Shelf purchases i.e. Acquisition Stage.

Acquisition Stage Application

- 12.2. The purpose of the Acquisition Stage application is to seek approval for grant funding for the acquisition of the property and to advise WG of the key details which include:

- Purchase price and valuation of the property.
- Number and type of properties to be purchased.
- Amount of grant to be claimed at Acquisition stage.

- 12.3. The Acquisition Stage application must include:

- A fully completed Capital Funding Application Form (please ensure you use the latest version of the form).
- A Valuation Report.

- 12.4. If the OTS application is selected for a spot check, the social landlord will be required to provide floor plans and site layouts to demonstrate use of external spaces.

Capital Funding Application Form

- 12.5. Please note the following good practice tips:

TAB	Good Practice Tips
Menu & Cert	Please ensure the Acquisition Stage Certification is signed.
Comments	Please do not leave this page blank. Please ensure you provide the mandatory information below together with any other information you consider will aid the assessment of your scheme application.

	Design	<p>Mandatory Statements for inclusion.</p> <p>Social Landlords are responsible for choosing the relevant statement which matches the property being purchased. The statements are intended for clarity, compliance and to assist with the prompt assessment of applications.</p> <p>Please note, some statements require social landlords to insert the property code and some statements require social landlords to delete certain wording so that the statement applies correctly to the application. Where properties are being batched – you will need to ensure there is a statement for each property.</p> <ul style="list-style-type: none"> • The property meets WDQR. Although floor plans are not required for this application, it is understood that floor plans may be requested by Welsh Government for spot check purposes. • The property meets WHQS. Although floor plans are not required for this application, it is understood that floor plans may be requested by Welsh Government for spot check purposes. • The property does not meet WHQS, but with minor physical adjustments will fully meet WHQS. It is the double bedroom(s)/single bedroom(s) (delete as appropriate) that does not meet WHQS. Works for the adjustments have been included in the scheme costs. Floor plans have been provided as required by Welsh Government. • The property does not meet WHQS and has been redesignated from a XpXb to a XpXb. The rent for a XpXb would have been £x, but following re-designation to a XpXb, the rent is now £x as stated on the property details tab. Although floor plans are not required for this application, it is understood that floor plans may be requested by Welsh Government for spot check purposes. • One or more single bedroom(s) are between 4.7m² and 6.5m². In purchasing the property, the Social Landlord is confirming that the reduced sized room will only be used for sleeping by a child under ten years of age at any time in the future. Where the property is allocated to a family with a child under 10, the Social Landlord will fully explain to the tenant at
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		the outset, and plan with them, the need to move to a larger property once the child reaches the age of 10, to comply with relevant legislation. Floor plans have been provided as required by Welsh Government.
Scheme Details	Please complete all relevant cells.	
Property Details	<p>All cells must be completed except “Client bedspaces”.</p> <ul style="list-style-type: none"> • Please note, for the SVM calculation to calculate properly, the drop-down box selected for the “Housing Category as per SVM” should be General Needs - New Build, Conversion, Refurb and Off the Shelf. • The rent per week is the rent the grant recipient is charging at today’s rates. 	
Cost Details	Select the procurement route Off the Shelf and insert all applicable costs in the General Needs - New Build, Conversion, Refurb and Off the Shelf column.	
Other subsidy	In general, it is unlikely that the property will be receiving “other subsidy” and can left blank.	
Exceptional Provision	This should only be completed if the future tenant is known and has specific needs. Please ensure relevant supporting details are also provided on the comments page.	
Abnormals	In general, this is for newbuild schemes and can be left blank.	
Acquisition	Please ensure all cells are completed. This page confirms the amount of grant that can be drawn down at acquisition stage.	
SVM Grant Outcome	All cells are calculated	
Progress and Approval	This page is completed by WG	

13. Acquisition Payment – Off the Shelf

- 13.1. Following Acquisition stage approval, Grant recipients can submit a grant claim for Acquisition grant. To claim Acquisition grant, you are required to submit the following information:
- A fully completed grant claim form i.e. either a SHG grant claim form or a TACP grant claim form.
 - An updated valuation report or letter if the valuation is not in date at exchange of contract.
 - Scanned copy of the appropriate Solicitors Certification of Title (there are different formats for RSLs and LAs).
- 13.2. The legal charge/restriction put in place and evidence of registration of the same with the Land Registry and FCA does not need to be submitted but should be retained on the Review File for inspection at Post Completion Review. (Refer to the current edition of Welsh Government Technical Review Submission Procedures for details of the Post Completion Review process).
- 13.3. Acquisitions grant will be paid by WG subject to the grant claim complying with the following requirements:
- The property is in the SHG or TACP programme.
 - The Solicitor's Certificate of Title is in the correct format. Scanned copies which are not on headed paper, are unsigned, do not contain an exchange of completion date are not acceptable.
 - An authorised signatory must sign all relevant documents.
 - By signing the Acquisition grant claim the signatory is confirming that all relevant original documentation is held and will be retained by the grant recipient in the Review File for inspection at Post Completion Review. (Refer to the current edition of Welsh Government Technical Review Submission Procedures for details of the Post Completion Review process).
- 13.4. Acquisition grant will be paid from SHG in the month specified on the PDP, to the value specified and only if the completion has occurred.
- 13.5. Acquisition grant will be paid from TACP to the value specified in the grant award letter and only if the completion has occurred.

14. Legal Charges/Restrictions

RSLs

- 14.1. At Acquisition stage a legal charge in favour of WG must be placed on the property purchased. No grant payments will be made until confirmation is received via the grant certifications and certificate of title that appropriate charges will be put in place.

- 14.2. The legal charge and evidence of registration with the Land Registry/Financial Conduct Authority need to be retained on the post completion review file.

LAs

- 14.3. At acquisition stage a restriction in favour of WG must be placed on the property purchased. No grant payments will be made until confirmation is received via the grant certifications and certificate of title that appropriate charges will be put in place.
- 14.4. The legal charge and evidence of registration with the Land Registry need to be retained on the post completion review file.

15. Technical Scrutiny

- 15.1. RSLs and LAs are not generally required to submit Existing Dwellings and Off the Shelf purchases for technical scrutiny unless required to do so for compliance with specific clauses in the guidance (See 8.12 above – mandatory statements and 17.11 to 17.13 under Standards) However, spot checks will be undertaken where floor plans only (existing and proposed) will be required for compliance, refer to clauses 3.7 and 8.4.
- 15.2. It will be the responsibility of each grant recipient to follow the guidance set out in this document and keep a Review File for each property purchase or batch for inspection at Post Completion Review. (Refer to the current edition of Welsh Government Technical Review Submission Procedures for details of the Post Completion Review process).
- 15.3. Technical Scrutiny will still be required for the following types of properties which do not fall under this guidance:
- Off the Shelf properties where the developer approaches the RSL/LA development team at an early stage. This offers the opportunity for the properties to meet WDQR 2021, and a single stage Pre-Planning submission will be required. (SHG/RCG only)
 - Existing Dwellings which are re-modelled for people with specific needs. (SHG/RCG only)

16. Eligible Works for Grant Funding

Existing Dwellings

16.1 Works required to Existing Dwellings will be dependent upon the existing condition of the property. While not exhaustive, the following list provides examples of works which will be eligible for grant funding:

- Structural repairs.
- Fire protection.
- Asbestos removal where present.
- Replacement of roof covering and rainwater goods.
- Insulation to elements of fabric (a PAS 2035 whole house survey is recommended to ensure the most appropriate and effective retrofit measures are proposed and that insulating materials are compatible with the existing building fabric and that unwanted moisture in buildings is prevented).
- Replacement heating and hot water system(s) or parts of existing system.
- Electrical rewiring.
- Mechanical ventilation.
- Replacement windows complying with Secure by Design (SbD) physical security standards.
- Replacement external doors complying with SbD physical security standards.
- Replacement bathroom fittings.
- Replacement kitchen fittings.
- Modifications to internal layout to meet Lifetime Homes standards.
- Modifications of existing rooms layouts to enable a home to meet the minimum standards for nominal occupancy.
- Replacement of internal doors, including fire doors and frames.
- Internal wall and ceiling finishes.
- Applicable internal flooring.
- External lighting complying with SbD physical security standards.
- External works including paving, clothesline, external shed and fencing complying with SbD physical security standards.

Off the Shelf

- Modifications to internal layout to meet Lifetime Homes standards.
- Modifications of existing rooms layouts to enable a home to meet the minimum standards for nominal occupancy.
- External lighting complying with SbD physical security standards if not already provided.
- External works including paving, clothesline, external shed and fencing complying with SbD physical security standards if not already provided.

17. Standards for Existing Dwellings and Off the Shelf Properties

- 17.1 RSLs and LAs purchasing EDs and OTS properties should adopt the following approach to standards.
- 17.2 All homes must provide self-contained accommodation so that people have exclusive use of their bedroom, bath/shower/toilet and kitchen and living areas. The only exception to this where a HMO is being purchased under TACP and it is to remain as a HMO.
- 17.3 WG recognise that compliance with Welsh Development Quality Requirements 2021 (WDQR 2021) is not always achievable for EDs and OTS properties, the list below reflects the hierarchical range of standards that will be supported by grant funding:
1. Meet Welsh Development Quality Requirements 2021 (WDQR 2021) at purchase.
 2. Meet The Welsh Housing Quality Standard (WHQS) at purchase.
 3. Be capable of meeting The Welsh Housing Quality Standard (WHQS) or Welsh Development Quality Requirements 2021 (WDQR 2021) within 10 years of purchase.
 4. Not be capable of meeting The Welsh Housing Quality Standard (WHQS) within 10 years - can be purchased and used for a minimum of 5 years and a maximum of 10 years, after which they must be sold on the open market.
- 17.4 For properties which are purchased in line with points 3 and 4 above, the following minimum standards must apply.

Minimum Standards

- 17.5 All properties must comply with the requirement under the Renting Homes (Wales) Act 2016 Act for homes to be fit for human habitation (FFHH) - see [section 93 of the 2016 Act](#).
- 17.6 This in addition to the requirement under section 92 to keep the dwelling in repair, which is similar to the current repairing obligation. For further information see the Welsh Government's "[Fitness of homes for human habitation: guidance for landlords](#)".
- 17.7 Generally, accommodation must be in a good state of repair, safe and secure, adequately heated, fuel efficient and well insulated, contain up to date kitchens and bathrooms, be well managed, located in attractive and safe environments and where possible, accessible for the specific needs of those living there.

- 17.8 Accommodation must have sufficient space for nominal occupancy and everyday living.
- 17.9 Preferably, people should have access to outdoor space directly accessible from their home or conveniently located shared amenity space. However, it is recognised that such spaces may not always be available.

Minimum Space Standards for Nominal Occupancy

17.10 Nominal occupancy is the maximum number of people that should be living in a specific home. The nominal occupancy for a home is established by the types of bedrooms, which in turn places a requirement on the amount of living space required as explained in the WHQS standard.

17.11 Assessment of bedroom areas will adopt the following hierarchical approach. Please note, no tolerances will be applied for the purposes of assessing bedroom areas. Welsh Government expects Social Landlords to review bedroom sizes thoroughly and confirm in the Comments section (under Design) of the Capital Funding Application form, which standard the property meets. **Where no comments are made – either the SHG or TACP Team will ask the Social Landlord to confirm. No EDs or OTS will be approved without this clarification.**

- Ideally bedroom areas will meet the WDQR 2021 minimum area requirements of 11.5m² and 6.5m² for double and single bed occupancy respectively.
- If WDQR 2021 cannot be met, the bedroom areas must meet the WHQS minimum areas of 10.2m² and 6.5m² for double and single bed occupancy respectively.
- Where double bedrooms do not meet the 10.2m² requirement consideration must be given by social landlords to the making of minor physical adjustments to partitions to meet the area requirement or (if impracticable or not cost effective to do so), social landlords must re-designate the double room for single occupancy. Plans will need to be provided with the application and the mandatory statement made in the comments section under design in the capital funding application form completed.

17.12 **Where single bedrooms do not meet the 6.5m² requirement, proposed plans must be submitted for technical scrutiny.** Welsh Government will expect minor physical adjustments to be made to partitions to meet the 6.5m² area requirement where practicable and cost effective to do so. The mandatory statement made in the comments section under design will need to be completed.

- 17.13 Where minor physical adjustments are not practicable, consideration will be given to accepting a single bedroom area of between 4.7m² and 6.5m² on condition that the social landlord agrees that the reduced sized room will only be used for sleeping by a child under ten years of age at any time in the future. If these occupancy conditions cannot be met, the under sized bedroom will be deemed unacceptable for sleeping and the house type will be re-designated to remove the bed space. Again, this will need to be confirmed in the comments section under design.
- 17.14 Where social landlords have concerns that their proposals may not meet the standard, they should contact Welsh Government if the issue cannot readily be resolved.

18. Future Sales

- 18.1 If a property is sold in the future, the grant provided either through SHG/RCG or TACP will either need to be recycled into the Social Landlord's RCG fund or repaid. For repayment, the grant can either be repaid direct to Welsh Government, or the amount to be repaid can be deducted from a scheme in the Local Authority's Main Social Housing Grant Programme.