

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
<b>Cabinet</b>	<b>30<sup>th</sup> March 2011</b>

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<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
<b>Proposed Housing Capital Expenditure 2011/12</b>	<b>Cllr C Hughes</b>	<b>Jane Maguire</b>	

## **SUMMARY AND LINK TO CORPORATE PRIORITIES**

In order to comply with the Council's financial regulations, this report seeks approval to incur housing capital expenditure against the budget provided for within the agreed capital programme for 2011/12.

This report also advises of a procurement exercise that is currently underway to seek services of a Home Improvement Agency following the decision by Anchor Staying Put to withdraw from providing this type of service.

The expenditure will support the Council's priorities of strong and healthy communities, and a clean green and safe borough. This expenditure will improve the quality of housing in the area, and ensure services continue to be delivered to protect the vulnerable

## **RECOMMENDATIONS**

1. That Cabinet authorises total capital expenditure of £413,000 for the priorities outlined in the report.
2. That Cabinet authorises joint procurement of a Home Improvement Agency with Lancashire County Council to deliver the Disabled facilities grants.
3. That Cabinet approves Lancashire County Council (LCC) to act as the lead body for the procurement of the Disabled Facilities Grants and that the procurement be conducted in accordance with LCC rules and regulations
4. That Cabinet authorises the joint procurement of an Energy Efficiency scheme with West Lancashire Borough Council with South Ribble taking the lead on the procurement in accordance with South Ribble Councils rules and regulations.
5. That Standing Order 3.10 be waived and the Director Of Planning and Housing be authorised, in consultation with the Cabinet Member of Planning and Housing, to agree the final contract and accept the most economically advantageous tender for the delivery of the energy efficiency scheme.

## **DETAILS AND REASONING**

Government support for housing capital expenditure will change substantially in the coming financial year. For 2011/12 we will no longer receive an award of Regional Housing capital grant funding. The Government has stated that it is the responsibility of each council to decide on the priorities for housing initiatives using their own funds. In contrast, for this year £844,000 was received from the Regional Housing Pot allocation to support the Council's housing activities, with a further ring fenced grant of £201,000 to support expenditure on disabled facilities grants. In the coming year we have been advised we will receive £233,000, in Government grant for disabled facilities grants (DFG) an increase of 15%. This grant is no longer ring fenced to allow maximum flexibility to support local needs.

### **Disabled facilities grant work (DFGs)**

This is a statutory function for the authority. Currently there is a waiting list of 49 cases requiring adaptations. The work for the administration and completion of disabled facilities grants has been carried out by Anchor Staying Put, along with home improvement services such as handyperson and gardening schemes. Anchor has decided that it no longer wishes to deliver these services. To ensure that some of these services can continue a tender exercise has been undertaken to find a new provider but unfortunately this has proved unsuccessful. Following a review of the tender specifications, an amended procurement exercise for a new supplier has commenced.

As mentioned above we will receive a Government grant of £233,000 towards disabled facilities grant (DFG) in 2011/12. Over the last three years Council expenditure on DFGs has been enhanced using Housing Capital Grant monies from the Regional Housing Pot by an average of 50% of the overall DFG budget that was allocated by Government Office. Following the Comprehensive Spending Review, there is no longer a Regional Housing Pot and no other source of Government funding for housing coming to the Council.

However, this year partly due to the HIA contract ending, capital monies in the sum of approximately £100,000 remains unallocated in 2010/11. It is therefore recommended as in previous years that these monies are rolled forward into the new financial year bringing the total available for DFG purposes to £333,000. This expenditure will ensure that we can continue to assist the most vulnerable in the borough and that the waiting list remains manageable for the high priority cases.

### **Neighbourhood Energy Efficiency Scheme (NESS)**

Utilising Regional Housing Pot monies and working proactively with energy suppliers the Council has been very successful in both attracting substantial monies from the suppliers and was recognised as being one of the top 5 authorities for performance in relation to the percentage of housing stock that has been insulated.

The existing scheme has a waiting list for insulation measures of 120 despite 1,371 households receiving a grant in 2010/11. It is anticipated that changes to the eligibility criteria for households for Warmfront grants will create an increase in demand for grants, until the Green Deal initiative commences in 2012. The 'Green Deal' will allow private companies/energy companies to make energy efficiency initiatives available to all with no up front costs and will transform how the Council will be involved in grant initiatives in the future. To avoid a gap in the service over the coming year it is suggested that consideration be given to continue to offer a grant programme albeit on a lesser

scale and with increased client contributions for loft and cavity wall insulation. Such a scheme would run for 12 months providing a transitional arrangement until the Green Deal is in place.

In exploring ways of continuing with a scheme, discussions have been held with West Lancashire Borough Council which indicate that a jointly procured scheme would attract a higher rate of subsidy from energy providers, in the region of £1million between two authorities. Such a subsidy will allow the Council to contribute less capital for more measures and assist with discounted rates for the householder. West Lancashire Borough Council has already agreed to commit £60,000 to a joint scheme for a 12 month period, and are looking for the council to lead on procuring the services using the councils contract procurement rules. Currently West Lancashire do not have a private sector energy efficiency scheme and it is willing to fund the Council set up costs, acting as agent and administering the scheme to the value of £10,000.

On this basis it is recommended that £50,000 of the funds identified within the Councils Housing capital programme be allocated to a joint neighbourhood energy efficiency scheme with West Lancashire Borough Council.

**Private Sector Enforcement**

The Council has a statutory obligation to take enforcement action on homes that are in disrepair, hazardous properties and accommodation that has remained empty. In order to meet this duty and to facilitate changes in legislation which will allow the homelessness duty to be discharged into private rented stock, there is a requirement to provide quality housing, and homes that meet the Housing, Health and Safety Regulations. The monies will allow for a continuation of a limited grant programme for disrepair, enforcement, empty homes, rewires and boiler replacements and will ensure that the private sector properties can be improved and property standards are maintained.

It is recommended that £30,000 of the Councils Housing capital programme be allocated to private sector enforcement work.

**WIDER IMPLICATIONS**

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these.

<b>FINANCIAL</b>	<p>£333,000 Capital expenditure for Disabled facilities grant.</p> <p>£80,000 Capital expenditure for grants and enforcement utilising the capital receipt received from the Councils own resources (capital receipts)</p> <p>SRBC will attract £10,000 revenue to assist with administration and delivery of energy efficiency scheme.</p>
<b>LEGAL</b>	<p>Statutory responsibilities to carry out disabled facilities grants as outlined in Housing Grant, Construction and Regeneration act 1996 as amended.</p> <p>Requirements to take enforcement action where a property is hazardous and fails to comply with the Housing Health and Safety Rating system- Housing Act 2004 .</p>

<b>RISK</b>	<p>Continuing with these services will ensure that vulnerable and elderly are not put at risk and that improve poorer quality private sector accommodation can be improved.</p> <p>It is important to increase and improve private sector housing alternatives as access to social rented alternatives is reduced.</p> <p>In the coming year not to provide grant assistance and levering in Funding from energy suppliers would leave a gap in provision and detriment to those vulnerable households who still require assistance to stay warm.</p> <p>An alternative service provider to deliver DFG's is being sought, if this process is unsuccessful then there could be a gap in service delivery whilst other alternatives are explored.</p>
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<b>Equality, Diversity</b>	<p>Maintaining grants ensures that vulnerable and low income families can access grants to reduce fuel poverty.</p> <p>Elderly and disabled will continue to access grants to allow them to access and remain safe in their own homes.</p>
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

**BACKGROUND DOCUMENTS**

DCLG announcements 4th March 2011

WLBC Cabinet Report 15<sup>th</sup> March 2011