

**ADDITIONAL FUNDING FROM REGIONAL HOUSING BOARD FOR
DECENT HOMES IN THE PRIVATE SECTOR
(Report by the Head of Housing Services; Technical Services; and
Environmental Health)**

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet that a £327,925 capital grant has been awarded to the Council from the Regional Housing Board, administered by GO-East, to help improve the non-decent homes in the private sector.
- 1.2 To invite Cabinet to consider the how this grant should be used.

2. BACKGROUND TO THE CAPITAL GRANT

- 2.1 This grant has come from the Regional Housing Pot. The decisions on how to spend the Pot are made by the Regional Housing Board and are guided by the Regional Housing Strategy which we are consulted on and contribute to.
- 2.2 The Regional Housing Board decided to top slice the Regional Housing Pot for improving non-decent homes in the private sector occupied by vulnerable people. Previous funding to support Decent Homes in the private sector have been allocated as supplementary credit approvals (SCA), of no use to the Council as it is a debt free authority.
- 2.3 Officers have discussed this allocation with the Government Office who has confirmed that it is a 'housing' capital grant, not intended as substitute funding and although legally the grant carries no conditions, the Regional Housing Board hope that councils will use the funds for the purpose it was intended. The Government Office will monitor our expenditure.
- 2.4 The Regional Housing Board's investment plan recommends that authorities receive a further grant in 2007/8 although it is not yet clear how much this will be.

3. BACKGROUND TO DECENT HOMES

- 3.1 A Decent Home is one which:
 - Does not contain a category 1 hazard (The new Housing Act introduced the Housing Health & Safety Rating System and a category 1 Hazard requires that action is taken);
 - is in a reasonable state of repair;
 - has reasonably modern facilities and services; and
 - provides a reasonable degree of thermal comfort.
- 3.2 Government has set a target that by 2010, all social housing provided by Councils and housing associations must meet the Decent Homes

standard. Public Service Agreement 7 states that by 2010, 70% of private sector homes occupied by vulnerable people¹ must also meet the Decent Homes standard. They also expect a year on year improvement in achievement.

- 3.3 The Council commissioned a stock condition survey in 2005 to establish the local baseline of Decent Homes. In Huntingdonshire at present there are 11,500 dwellings occupied by residents in receipt of a means tested benefit (excluding housing association dwellings). Of these 2,000 are classified non decent, which represents 17% of dwellings occupied by a vulnerable residents. This means that 83% are decent. Therefore, Huntingdonshire is already above the Government's 2010 target for decent homes occupied by vulnerable people in the private sector.
- 3.4 The majority of dwellings (50%) that fail the standard in Huntingdonshire do so because of poor thermal efficiency. This falls into three main categories:
1. those dwellings that have only room heaters as the primary heating source – these would require central heating and adequate insulation to comply;
 2. those dwellings with electric storage and some other heating systems – dwellings that fail will require more insulation in order to pass; and
 3. those dwellings that have central heating but not enough insulation to pass and require more insulation as a result.
- 3.5 Non-decent dwellings are associated with the private sector and with occupiers on low incomes either below 30 years of age or over 65 years of age. The St Ives and St Neots sub-areas have the highest rates of non decent dwellings.
- 3.6 Improving the thermal efficiency of people's homes is one way to tackle Decent Homes in Huntingdonshire. This will also help to achieve the Council's fuel poverty² target to ensure that no vulnerable households are at risk of ill health due to excess cold by 2010³.
- 3.7 There are already schemes that provide energy efficiency measures when the householder or partner is in receipt of a qualifying income or disablement related benefit. However these schemes are more restrictive to households where the children are in receipt of the disablement benefit, when the property was built after 1975, or for low income pensioners who have to pay a contribution.

¹ Vulnerable households have been defined as those in receipt of at least one of the principal means tested or disability related benefits. For the purpose of establishing the national 2001 baseline from the English House Condition Survey the benefits taken into account were: income support, housing benefit, council tax benefit, disabled persons tax credit, income based job seekers allowance, working families tax credit, attendance allowance, disability living allowance, industrial injuries disablement benefit, war disablement pension.

² Households in 'fuel poverty' spend over 10% of their income on heating.

³ DEFRA and DTI, (November 2001), UK Fuel Poverty Strategy

- 3.8 It is therefore suggested that the capital grant is used to pay for the installation of cavity wall and/or loft insulation for vulnerable people and those on a low income. Where properties are in need of central heating, Warm Front referrals will be made. Existing staff resources from Warm Front and National Energy Action (NEA) will be brought in to support the programme including leaflet drops, road shows, welfare benefit advice and energy efficiency assessments and advice.
- 3.9 It is estimated that 1,000 insulation measures could be installed through this grant, achieving a reduction in the number of vulnerable people occupying non-decent homes and contributing to the Council's fuel poverty and domestic energy and CO₂ reduction targets. In addition all householders contacted through the scheme would receive energy efficiency advice and low energy lamps.
- 3.10 This programme would be administered by the Environment Team within Technical Services and would support the work already underway accessing other Government grants such as Warm Front.

4. OPTIONS

- 4.1 Cabinet have three options:

Option	Advantages	Disadvantages
1. To use the grant to fund existing approved capital expenditure.	Reduces the revenue impact (£16k interest per year ongoing) and delays the point at which borrowing is needed to fund the MTP.	Use will not comply with the purposes for which the grant was given. Does not contribute to an improvement in Decent Homes or even spending on housing. Substitute funding was not the intended purpose of this allocation. No additionality is achieved from other agencies. Risk future year's allocations.
2. To use the grant to fund approved capital expenditure for Repairs Assistance.	Will support the improvement of people's homes which could be argued to be expenditure for which this grant was intended. Reduces the revenue impact (£16k interest per year ongoing) and delays the point at	No additionality is achieved from other agencies. Risk future year's allocations. Substitute funding was not the intended purpose of this allocation.

	which borrowing is needed to fund the MTP.	
3. To use this capital grant to provide additional initiatives towards Decent Homes for vulnerable people in the private sector as set out in paragraphs 3.3-3.10.	<p>This would help the Council to achieve other targets on fuel poverty, and domestic energy and CO2 reduction targets</p> <p>Expenditure fully complies with the purposes for which the grant is given.</p> <p>Additionally can be demonstrated to the Regional Housing Board.</p> <p>Does not risk future year's allocations.</p>	Although this would improve the energy efficiency of non-decent homes, it may not bring them up to the decent homes standard because they may fail on other elements.

4. CONCLUSION

- 4.1 The Regional Housing Board has awarded £327,925 to the Council to improve Decent Homes for vulnerable people in the private sector. This is a capital grant that is intended to be spent on this purpose although it carries no legal obligation.
- 4.2 Although the Government's current target for Decent Homes has been achieved in Huntingdonshire, the Government require a year on year improvement. Half of homes fail the standards as a result of poor thermal efficiency. This grant programme would reduce the number of homes that fail on that element of the Decent Homes standard. It contributes to the Council's energy efficiency targets under the Home Energy Conservation Act and the Governments targets to end fuel poverty, where practicable, for vulnerable households by 2010.

5. RECOMMENDATION

- 5.1 That Cabinet approve a supplementary capital estimate to provide thermal efficiency improvements to private sector homes occupied by vulnerable people to be funded by the £327,925 capital grant that has been allocated to the Council.

BACKGROUND INFORMATION

- Sustainable Communities Plan: Building for the Future, ODPM, 2003
- A Decent Homes: The Definition and Guidance, ODPM, February 2004
- Regional Housing Strategy for the East of England 2005-2010, EERA, 2005
- Letter dated 23 March 2006 from the Head of Housing at Government Office

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