

REPORT TO: Executive Board

DATE: 10th April 2008

REPORTING OFFICER: Strategic Director Health and Community

SUBJECT: Housing Capital Programme

WARD(S): Boroughwide

1.0 PURPOSE OF REPORT

1.1 To inform the Board of the forecast outturn for the 2007/08 housing capital programme, and to seek approval for the 2008/09 programme.

2.0 RECOMMENDED – that the position regarding the 2007/08 programme be noted, and the proposed programme for 2008/09 as set out in the report and Appendix be recommended to Council for approval.

3.0 INTRODUCTION

3.1 The Appendix compares the approved 2007/08 programme with the forecast outturn position, and shows also the proposed programme for 2008/09.

3.2 Total resources available for 2007/08 amounted to £3.696m, whereas the projected spend is estimated at £2.460m. The reasons for variations to the programme are set out in section 4 below.

3.3 Section 5 of the report sets out the level of resources likely to be available in 2008/09 based on the forecast outturn for 2007/08, and a proposed programme of work is set out in the final column of the table in the Appendix.

4.0 2007/08 PROGRAMME - VARIATIONS

4.1 Housing Grants – under spend of £302k. Expenditure in this area is demand led, and demand for major and minor works grants significantly reduced during 2007/08, despite an advertising campaign in several newspapers and Council publications. It is therefore proposed that funding for this area of work will be reduced until it is better understood why this has occurred e.g. is it as a result of the policy change to offer assistance partly as loans, uncertainty in the housing market, ineffective targeting or some other reason?

4.2 Disabled Facilities Grants (DFGs) – Board received a report on the 21st February 2008 about the development of a joint funding agreement with Housing Associations, and as part of that agreed that £295k

unspent resources from 2007/08 be slipped to 2008/09 and be used to assist Housing Associations to tackle their adaptations backlog, currently estimated at just over £1m in value. The forecast DFG underspend has reduced slightly since then from £295k to £272k

- 4.3 Traveller Transit Site – Under spend of £474k. Board agreed on 19th July 2007 that this scheme be funded from an underspend on another project, and received a report on the likely timetable for implementing the scheme which made it likely that a start on site would not be achieved until late in the financial year. Planning consent was granted on the 3rd March and although some expenditure has been incurred in terms of groundwork investigations and planning fees, the bulk of expenditure will fall in 2008/09.
- 4.4 Energy Promotion – this budget was oversubscribed in terms of applications for assistance with energy efficiency measures, and a further £10k was allocated to sustain the scheme through to the year end.
- 4.5 Adaptations Initiative – under spend of £92k. The proposal to establish a framework agreement for the fast track supply, fitting, maintenance and recycling of stairlifts outside the DFG process has been more complex and time consuming than envisaged. A contract was awarded in February but spend will now slip to 2008/09.

5.0 2008/09 PROPOSALS

- 5.1 At the time of writing, the 2008/09 capital grant allocation from the Regional Housing Pot has not been announced, but for planning purposes it is expected that the grant will be 70% of the 2007/08 allocation. Based on the forecast outturn for this year's programme, the following resources are likely to be available to finance works in 2008/09 -

	<u>£000's</u>
C/fwd from 2007/08	1,236
New capital grant	622
DFG grant	424
DFG capital growth	500
TOTAL	2,782

- 5.2 The proposed programme of work shown in the Appendix maintains support for annual programmes such as private sector grants and energy efficiency works, and significantly increases the Disabled Facilities Grant budget to address waiting lists in both the private and public sectors. This is a substantial growth and it may be that the resources will need to be phased over 2008/09 and 2009/10 due to the long lead in times for this type of work.

5.3 It also makes provision for previously approved schemes with committed slippage from 2007/08 such as the Traveller schemes and the stairlift contract.

5.4 It should be noted, however, that the resources available in 2009/10 and 2010/11 are, based on indicative allocations announced by Government, forecast to diminish significantly as set out below -

	<u>2009/10</u>	<u>2010/11</u>
New capital grant	622	467
DFG grant	424	424
TOTAL	1,046	891

This is due to the local authority share of the Regional Housing Pot shrinking with Government's focus (set out in the recent Green Paper) on increasing the housing supply, in the case of social housing largely delivered through the Housing Corporation and Housing Associations.

5.5 It is therefore proposed that a reserve of £0.194m be retained to supplement housing programme resources in future years, particularly for DFGs, to dampen the effect of this decline and reduce the need for capital growth from corporate resources.

6.0 POLICY IMPLICATIONS

6.1 None.

7.0 OTHER IMPLICATIONS

7.1 None.

8.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

8.1 Children and Young People in Halton

Improved housing conditions funded through this programme will benefit any children and young people living in those dwellings, and particularly benefit those that need housing adaptations.

8.2 Employment, Learning and Skills in Halton

N/A

8.3 A Healthy Halton

DFGs will help the chronically sick and disabled to maintain a better lifestyle at home rather than in residential care.

8.4 **A Safer Halton**

N/A

8.5 **Halton's Urban Renewal**

Helping vulnerable individuals to maintain/improve their homes will help minimise the incidence of dilapidated housing that can blight an area.

9.0 **RISK ANALYSIS**

9.1 In future years there is a risk that there will be insufficient resources to meet the demand for DFGs, which remain a mandatory grant. The proposal in 5.5 should ensure this problem does not occur in the short term. Government has recently announced plans to allow legal charges to be secured against properties benefiting from DFGs (in certain circumstances) that are repayable when the dwelling is sold. Repaid loans will over the medium term help to stretch resources. Government has also announced that DFG grant assistance will be increased by 31% over the next 3 years, but this does not necessarily mean that Halton will benefit to the same degree, if at all.

10.0 **EQUALITY AND DIVERSITY ISSUES**

10.1 The proposed programme of work will help tackle the housing problems of some of those in greatest housing need.

11.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document

Place of inspection

Contact Officer

Not applicable

HOUSING CAPITAL PROGRAMME 2007/08/09 (£000s)

	Approved Budget 2007/08	Probable Outturn 2007/08	Proposed Budget 2008/09
Housing Grants/Loans	586	284	284
Disabled Facilities Grants	942	670	1,573
Traveller Transit Site	500	26	474
Home Link	10	10	10
Energy Promotion	75	85	100
Castlefields Equity Release Loans	65	78	0
West Bank Neighbourhood Renewal Assessment	4	4	0
Refurbishment of Riverview Gypsy site	1,272	1,269	55
Belvedere Repairs	28	34	0
Adaptations Initiative	92	0	92
Reserve	122	0	194
TOTAL	3,696	2,460	2,782