

Report of: Environmental Health Business Manager,

To: Executive Board - 18 June 2007
Council - 25 June 2007

Item No:

Title of Report : Private Sector Regional Housing Pot:
supplementary estimate and project approval



Summary and Recommendations



Purpose of report: Oxford City Council has been awarded £[redacted],300 in Specified Capital Grant from the Regional Housing Pot for 2007/2008 to [redacted] support our private sector housing strategy. Project approval is sought for an effective way to spend it within the terms of the award this financial year.

Key decision: Yes

Portfolio Holder: Cllr Patrick Murray



Deputy Responsibility: Housing

Ward(s) affected: All

Report Approved by



Portfolio Holder: Cllr Patrick Murray

Legal: Jeremy Thomas



Finance: Andy Collet



Policy Framework: Draft Private Sector Housing Strategy



Recommendations:

That the Board:

(i) grant project approval for the proposal to spend the £228,300 awarded from the Regional Housing Pot to reduce unfitness in this financial year by upgrading insulation in private sector homes in the manner set out in this report;

(ii) agree to the continued partnership arrangement with British Gas – which [redacted] provides in further funds - to help deliver this scheme to improve energy efficiency and reduce the decline in condition in Oxford's private sector



[redacted] housing stock;

(iii) RECOMMEND Council that the capital budget be amended to include the £228,300 within the 2007/08 capital programme for insulation in private sector homes.

Background: The Money

1. The City Council has been awarded a capital award of £228,300 from the Regional Housing Pot for 2007/2008. The award was made on the recommendation of the South East Board, based upon the Regional Housing Strategy (RHS) for the South East. Since we satisfactorily spent the 06/07 award of £248k (817 cavity wall or loft insulation installations were carried out in 677 Oxford homes) we qualified for a second funding award in 07/08. The RHS sets out investment priorities via 3 key targets, the third of which is *making decent any non-decent private sector housing occupied by vulnerable households and families with children*. In particular, the RHS provides that “we will continue to invest in local authorities with the reported highest number and proportions of unfit dwellings pending further analysis of need targeted on properties occupied by vulnerable groups and families with children”.
2. In 2004 Oxford had an estimated 2,444 dwellings in the private sector that were unfit, (source – the 2004 Private Sector Stock Condition Survey). Guidance to the allocation in the RHS provides in particular that:-
 - (a) It is capital money, to be spent on private sector assets.
 - (b) Councils must be prepared to agree an innovative action plan.
 - (c) Focus is expected upon owner-occupiers and private sector landlords.
 - (d) A flexible range of grants, loans and other help should be on offer to bring housing back into habitable condition.
 - (e) There will be further monies in future years but extent is yet unknown.
 - (f) Councils must be prepared to disseminate case studies of their work via an annual regional conference which can showcase innovations.
3. From discussion with officials at Government Office for the South East (GOSE) the scheme outlined in this report is acceptable to them, on the basis that local authorities may take part in grant schemes for insulation upgrades to private sector homes, where such grants make a contribution to the halt in the decline of the housing stock, reduce fuel poverty, make homes healthier and reduce harmful greenhouse gas emissions.

In addition, it has also become apparent in discussions with GOSE that any failure to spend the allocation may result in the need to repay and the loss of future funding. Evidence will be required that the funding has been used to secure “*real improvements in the stock*”. It is therefore particularly important that the Council ensures full spend within the relevant period (in effect approx 9 months).
4. Considering the above, the most pressing matter is the need for the spend to be achieved by the end of March 2008. Any proposal will also carry with it some revenue spend implication and since this is a capital

allocation, any associate revenue costs will need to be contained within existing budgets. This is a significant point for there needs to be sufficient staffing resource to drive the proposal through to completion, on target. To some extent, the nature of the possible actions determines their category. For example compulsory purchase is a lengthy process with often an 18 month cycle.

The proposal:

Energy efficiency improvements in partnership with British Gas

5. The proposal seeks to address a proportion of the unfit homes (to meet the above criteria) and will give practical help to vulnerable and elderly households on energy issues. Energy efficiency has been chosen as the focus as it is the area of work that has the most flexible staffing resource and therefore the best opportunity to deliver within the timescale. Existing programmes generally produce targeted energy improvements and are generally linked to benefit receipt. They have the advantage of any means tested route in that they take account of affordability. However, not all households in benefit receipt live in the most unfit dwellings. This proposal seeks to identify some of the poorer dwellings which will achieve fitness by virtue of energy improvement.
6. GOSE has linked funding to unfitness however the new Housing Health & Safety Rating System (HHSRS) replaces this regime. Category 1 hazards could be viewed as having similar significance to the previous unfitness criteria and we know from the 2004 Survey that the most common category 1 hazard is 'excessive cold'. The survey found that 6.1% (the highest score) of all category 1 hazards derive from excessive cold with the next highest failure being 'falls on stairs' at 1.2%. Some 2,771 dwellings were involved, (providing more than sufficient scope for the additional funding).
7. This proposal will involve a partnership with British Gas to make energy efficiency improvements to private sector homes. This will take the form of cavity wall and loft insulation to vulnerable households (with occupants over 60 years of age, or with children under 5) who are living in sub-standard homes. The project will also draw in further sources of funding via referrals to the government's "Warmfront" scheme which also provided heating upgrades to households on benefit.
8. British Gas – the largest UK utility company - has a national network of approved contractors with sound track records, offering industry guaranteed insulation works. British Gas have gone through a tendering process to establish their network of installers based on price and service. The prices for insulation works that will be passed on, to be paid from this pot, are as low as any we are aware of nationally as a result of both this tendering process and an additional subsidy from

British Gas under their Energy Efficiency Commitment. The prices, and arrangement with installers, are far better than it would be possible for Oxford City Council to secure independently.

Further, British Gas will bring additional funds to this initiative as it will insulate the homes of any private sector households on income related benefit in Oxford at no cost to the householder or to Oxford City Council. The effect will be to make the £228,300 Regional Housing Pot allocation go that much further in insulating Oxford homes.

9. The GOSE money will enable the partnership to deliver for an additional 380 non-benefit households at least, it will deliver synergies and be an economical delivery vehicle for the City Council. It will also enable rapid delivery. Existing data sources and referral mechanism will be used to identify target households. A publicity campaign will also assist.

Financial Implications

10. Formal notification of the award from GOSE was received too late for a new programme of work to be devised in time to be incorporated into the capital programme for 2007/2008. It is necessary for a supplementary capital estimate to be approved to enable the project to proceed. The capital spending will be wholly funded from the Specific Capital Grant, however, if the City Council fails to achieve the targeted spend, the capital grant will be reduced accordingly, and the Council may not be prioritised for future awards. Since the project will be delivered via existing staffing resource, there is no additional revenue or other cost that cannot be contained within existing approved revenue budgets.

Next steps

11. If this outline proposal is acceptable, and assuming no unforeseen complications, implementation should start within a week or so of final approval. In such circumstances, full spend is achievable.

Recommendations

12. Executive Board is recommended to:
 - (i) grant project approval for the proposal to spend the £228,300 awarded from the Regional Housing Pot to reduce unfitness in this financial year by upgrading insulation in private sector homes in the manner set out in this report;
 - (ii) agree to the continued partnership arrangement with British Gas – which levers in further funds - to help deliver this scheme to improve energy efficiency and reduce the decline in condition in Oxford's private sector housing stock;

(iii) RECOMMEND Council that the capital budget be amended to include the £228,300 within the 2007/08 capital programme for insulation in private sector homes.

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Background papers: None

