

Report of	Meeting	Date
Director Partnerships, Planning & Policy (Introduced by the Executive Member (Business) and Executive Member (Resources))	Executive Cabinet	18 <sup>th</sup> February 2010

## **REPORT OF HOUSING CAPITAL BUDGET FOR 2010/11 & ALLOCATION OF REPOSSESSION GRANTS.**

### **PURPOSE OF REPORT**

1. To advise members of the various grant funding received in 09/10 and initiatives it is to be allocated to.
2. To advise members of the proposed cut in housing capital grant for 2010/11 and the proposed capital programme for 2010/11.

### **RECOMMENDATION(S)**

3. To approve the allocation of the grant resources to the various initiatives.
4. To approve the introduction of the Chorley version of the CLG standard Repossession Policy.
5. To approve the draft housing capital programme, subject to the allocation of capital grant being confirmed as correct.

### **REASONS FOR RECOMMENDATION(S)**

#### **(If the recommendations are accepted)**

6. That the grant is intended to be used to prevent homelessness due to repossessions, either through provision of education material and marketing
7. That the Council can be clear with customers regarding its priorities for housing and can shape the policies and procedures of the newly established in house HIA.

### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

8. *That the funding is not used for repossession measures*
9. *That the capital programme is not set until the findings of the private sector stock condition survey are published.*

### **REPOSSESSION GRANTS FUNDING**

10. In 2009/10 the Government announced a commitment to prevention of repossessions and a series of measures aimed to stop people losing their home. Whilst the impact of the credit crunch and repossessions were slowed due to the mortgage providers having to take steps to help people, these agreements are now expiring and the CLG are fearing a wave of repossessions in 2011.
11. Chorley Council therefore received three grants aimed to deliver services targeted to those most affected by the credit crunch and risk of repossession.

12. These grants include £38,000 Preventing Repossessions fund, which has guidance attached and is primarily to be used for grants and or loans to help those at risk of repossession
13. A further £30,000 was awarded to Chorley, to lead on a sub regional project aimed at assisting Housing Services to develop a response to the recession. This money is to be shared between Chorley, Preston, South Ribble and West Lancs. Chorley was selected following its performance in tackling homelessness and reducing the use of temporary accommodation.
14. In January 2010, £20,000 was received towards the costs of providing a court desk service, which is now delivered by the Specialist Housing Advisor, Sacha Girling.
15. All of these grants in 2009/10 are non recurrent, which means the CLG strongly advise that they are recycled where possible and that marketing/ provision of advice are central to educating people as to where and what help is available to help them avoid repossession.
16. The CLG will be requesting outcomes from the Council as to how the grants have been used and the positive outcomes.
17. The main principles for which, these grants will be used are as follows:
  - Comprehensive training programme for housing staff across Central Lancs. (Paid for from the shared pot) to include provision of mortgage advice and dealing with repossessions.
  - Printing of publicity material and posters to provide advice on how to access help and advice and promoting the Councils' housing advice service. These are to be circulated in all public buildings and other targeted areas, eg Magistrates Court.
  - Additional funding for the Rental Bond Scheme, which has been very successful, and therefore we want to increase the number of binds we can issue. This service has helped 23 families to access private rented accommodation and who may not have otherwise been able to access housing, due to their vulnerability.
  - Establishment of a Repossession Pot to provide grants and/or loans for those at risk of repossession and who meet certain criteria.
  - Funding towards the revenue cost of implementing choice based lettings.
18. With respect to the Repossession Pot, a standard policy has been devised by CLG and this has been tailored for Chorley and is attached.

### **Housing Capital Grant**

19. Each year the Council sets its priorities for its housing capital programme. This includes affordable housing, disabled facilities grant, home repair assistance and energy efficiency measures. These are funded by a combination of Disabled Facilities grant, regional housing pot and section 106 (affordable housing) monies.
20. In 2009/10 the Council received a good allocation of regional housing pot, specifically £1.2 Million. However, during the course of the year, the northwest regional bodies along with the Lancashire Strategic Housing Partnership have been reviewing the methodology used to divide the regional amount of grant between all the councils.
21. A new proposed methodology has been approved and, subject to final ministerial sign off, it will mean that for 2010/11, Chorley Council will receive only £ 397,000 (excluding Disabled Facility Grant monies). This allocation is based on a complex mix of the new methodology and a level of protection and represents a 68% cut. The figure for 2011/12 is not yet available; however, it is envisaged that it will decrease further.
22. Chorley Council, along with some other district councils who were significantly disadvantaged by the new methodology, made representations regarding these cuts to both the Regional Leaders board and ministers.
23. Therefore in light of this, the Council is proposing to target its capital resources more strategically, and has produced a new Private Sector Housing Assistance Policy (currently out for consultation), which has tightened the eligibility criteria on its grants, in order to ensure those customers in greatest need, are helped.
24. The proposed priorities and respective budget allocations (subject to the approval of regional housing capital funding) are as follows:

<b>Programmes</b>	<b>Allocated budget</b>	<b>Source of finance</b>
Affordable Housing New Development Projects	£721,710	Regional Housing Pot (carried forward from 2009/10)
Disabled Facilities Grants	£450,000	Regional Housing Pot and CLG disabled facilities grants
Home Repair Grants/Direct Homes Assistance	£72,000	Regional Housing Pot
Energy Grants	£50,000	Regional Housing Pot
Handyperson Scheme	£22,000	Regional Housing Pot
Landlord Accreditation	£5,000	Regional Housing Pot
<b>Total</b>	<b>£1,320,710</b>	

25. These priorities & allocation of funding represent the best use of these resources, with affordable housing being the highest strategic priority for housing, followed by the provision of disabled facilities grants (DFGs). Demand for DFG has increased significantly over recent years given more people are electing to remain in their own home rather than move into specialist/supported accommodation. This is particularly true of older people. Demand for DFGs is set to increase further as population projections indicate that by 2015 19% of the Chorley population will be over 65 and by 2020 20% will be over 65.
26. Affordable Housing is a key priority of the Council, with access to social rented accommodation a big issue given the small size of stock and the levels of need. The Council has already delivered 39 units of affordable housing to date, the majority of which have been in partnership with Adactus (CCH) and with HCA grant. The Councils Strategic Housing team has been key to the delivery of these units and has worked closely with partners to ensure the programme has remained on track.
27. In 2009/10 the Council invested in a new project, 'purchase & repair scheme' with Adactus (CCH) in order to delivery more housing for social rent, whilst at the same time bringing empty homes back into use. Early indications are that it is expected that some homes may be delivered in this year as part of this project. If this project is successful, a further programme may be developed in 2010/11 and it may be promoted as an example of best practice.
28. Some provision has been made for offering grants for energy efficiency measures and repair assistance; however these will be available to those in most need and means tested. There are national programmes for energy efficiency grants and discounts available to the wider population and these will also be promoted. Following a challenge to EEGA's current pricing policy, we are confident we will get a better deal from this organisation in the future.
29. Landlord accreditation schemes can bring real benefits in encouraging landlords to provide good quality accommodation and services in return for the market advantage which being accredited confers. This small allocation will be used as part of the scheme once developed in 2010/2011 to provide incentives for landlords to join, and can include provision of items such as fire safety equipment, smoke alarms or window locks etc.

## **CORPORATE PRIORITIES**

30. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	✓
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Improving equality of opportunity and life chances	✓	Develop the Character and feel of Chorley as a good place to live	✓
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	✓

31. This report has implications in the following areas and the relevant Corporate Directors' comments are included:

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

### COMMENTS OF THE DIRECTOR OF TRANSFORMATION

30. The report sets out the proposed allocation of all available funds allocated for Housing schemes. They represent the totality of cash available for housing purposes as all the Section 106 funds for housing have now been allocated and/or spent.

LESLEY-ANN FENTON  
Director, Partnerships, Planning & Policy.

There are no background papers to this report.

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