

Housing Cabinet Member Meeting

Agenda Item 15

Brighton & Hove City Council

Subject:	Review of Private Sector Housing Renewal Assistance		
Date of Meeting:	5 July		
Report of:	Strategic Director of Place		
Contact Officer:	Name:	Martin Reid	Tel: 29-3321
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Key Decision:	No		
Wards Affected:	All		

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 Improving Housing Quality in the City is one of the key aims of the Citywide Housing Strategy 2009 – 14.
- 1.2 Our private sector housing renewal assistance programme supports this aim and focuses on improving conditions in the private rented and owner occupied sectors. It provides a framework for addressing a range of housing related issues including tackling inequality, fuel poverty and financial exclusion. In addition, our housing renewal assistance programme contributes to city-wide priorities of sustainability, reducing worklessness and creating jobs as well as improving Health outcomes through improved housing.
- 1.3 Key areas of private sector housing renewal assistance focus on: home energy efficiency; decent homes; bringing empty private sector homes back into use; housing adaptations & assistance to enable those with a disability to continue to live independently in their home.
- 1.4 This programme has been funded since 2008 by successful Brighton & Hove and East Sussex Together (BEST) partnership bids for Regional Housing Board (RHB) private sector housing renewal capital. Key outputs from the 2010-11 BEST Private Sector Housing Renewal programme in Brighton & Hove are outlined in the report.
- 1.5 The 2008 - 2011 BEST funding programme has now come to an end. The Government announced as part of the Comprehensive Spending Review in the autumn of 2010 that further RHB funding for private sector housing renewal would not be made available.
- 1.6 In light of this it was agreed to carry forward some existing capital funding into 2011/12. This was to ensure sufficient support remains available to vulnerable & eligible households for ongoing commitments and to ensure that continued levels high performance are maintained around: decent homes; empty properties; home energy efficiency; & disabled adaptations during 2011/12. £2.83m BEST funding

has been carried over into 2011/12. There are already significant commitments against this remaining budget.

- 1.7 Our current policy recognises that the availability of finance is a relevant factor in awarding discretionary grants & loans and that approval of assistance will in all cases be dependent on the availability to the Council of sufficient resources to finance that assistance.
- 1.8 As delivery of our renewal assistance programme is subject to availability of resources we now propose to review our private sector Housing Renewal Policy based on likely future funding.
- 1.9 We will also continue to pursue alternative future funding options outlined in this report and in earlier reports on Home Energy Efficiency Investment Options.
- 1.10 In addition to private sector housing renewal considerations, as part of the Comprehensive Spending Review the Council has been awarded £723,000 Disabled Facilities Grant (DFG) funding for 2011/12. Approval for this expenditure is sought. Disabled facilities grants are mandatory, and are not dependent on the Council's Housing Renewal Policy. However the Housing Renewal Policy currently supports DFG funding through capital top-up and additional disabled assistance measures.

2. RECOMMENDATIONS:

- 2.1 That the Cabinet Member for Housing notes the strategic importance of private sector housing renewal, the successful delivery of private sector housing renewal in the City and the issues outlined concerning future availability of capital funding to support the assistance available to eligible households.
- 2.2 That the Cabinet Member for Housing notes that the Lead Commissioner for Housing is undertaking a review of the Private Sector Housing Renewal Assistance Policy with a view to submitting a revised policy based on likely funding streams to a future meeting.
- 2.3 That the Cabinet Member for Housing approves expenditure within Brighton and Hove of the council's 2011/12 Disabled Facilities Grant allocation of £723,000 in accordance with the provisions of the Housing Grants, Construction and Regeneration Act 1996.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 Private sector housing renewal is key to the City-wide Housing Strategy 2009-14 & Housing Commissioning priorities. Private sector housing renewal assistance improves sustainability, enabling our most vulnerable residents to live in homes that are warm, safe and secure. It assists eligible households in the private rented and owner occupied sectors focusing on: home energy efficiency investment; decent homes; disabled housing adaptations and assistance. It also supports landlords and owners to improve conditions in multi-occupied private sector homes and to bring empty private sector homes back into use. In addition, investment in renewal assistance supports local jobs and businesses

through funding improvement and adaptation of private sector housing stock in the City.

3.2 The Brighton & Hove, East Sussex Together Partnership (BEST), led by Brighton & Hove City Council, successfully bid for and was allocated over £23m million over three years 2008-11 (the sixth highest allocation in the country) to improve the living conditions of vulnerable households in the private sector. This funding aimed to improve the condition of housing to meet the decent homes standard, address more widespread regeneration needs, foster improvement in domestic energy efficiency to combat fuel poverty and reduce the region's carbon emissions.

3.3 Funding came from the Regional Housing Board (RHB) and Brighton & Hove City Council received the largest allocation of funding across the South East, almost £12.5 m. Around 4,500 private sector homes have been improved since 2005 through our private sector renewal work. In 2009/10 1,600 homes were improved.

BEST SPEND

	2008/9	2009/10	2010/11	2011/12
Energy Efficiency	£1,357,262	£1,682,552	£981,000	
Decent Homes Empty Properties	£600,000	£1,538,177	£1,288,000	
DFG Top Up	£325,000	£325,000	£272,000	
	£440,000	£440,000	£440,000	
	£2,722,262	£3,985,729	£2,981,000	£2,830,000

3.4 BEST funding programme has been one of the key means of supporting delivery of the following City-Wide Housing Strategy goals & Local Area Agreement targets:

- Goal 4: Making best use of the housing stock;
- Goal 6: Work with home owners & landlords to maintain and improve the quality of their housing;
- Goal 7: Reduce fuel poverty & minimise CO2;
- Goal 9: Work with owners to bring long term empty homes back into use;
- LAA - NI 187: reducing fuel poverty;
- L23 – bringing empty properties back into use.

3.5 Private sector renewal assistance has contributed significantly to the local economy through the level of investment made into the local housing stock over the last four years, as outlined at 3.3. Local businesses and contractors have been utilised significantly in carrying out assistance works for both decent homes and energy efficiency measures. Further opportunities may present themselves through future funding opportunities as outlined in 3.14. Ongoing investment in the housing stock through private sector renewal assistance in 2011-12 will continue to support local businesses and employment. Through investment in renewable energy in the City and the roll out of the Green Deal opportunities to support local businesses and employment opportunities will develop. Discussions are underway to develop training opportunities for city residents to support

existing businesses, local employment schemes and apprenticeships within the City in preparation for the significant levels of investment that may be created through renewable energy investment and the Green Deal, this will play a significant part in future policy and strategy development.

- 3.6 Investment in private sector housing renewal has been demonstrated to offer significant costs benefits, in particular in relation to the Health economy. In Brighton & Hove there are and estimated 1,200 incidents of falls and excess cold each year which are likely to cost the NHS £7.9m but which would incur an estimated £2m housing capital to prevent (Health & Housing BRE/CIEH Calculator).
- 3.7 In addition, in relation to housing adaptations, the Audit Commission identified that investment of £20,000 in adaptations can make savings of £6,000 a year in home care costs.
- 3.8 In addition energy used in the home contributes to carbon dioxide emissions, which is a major contributor to climate change. Reducing energy use through Private Housing Renewal Assistance is good for the environment, saves money and improves the quality of housing, helping to bring warmer, healthier homes to older and vulnerable people living in fuel poverty.
- 3.9 In 2010-11 the Private Sector Housing Renewal programme in Brighton & Hove delivered the following key outputs:
 - 231 homes with vulnerable residents made decent or moved towards decency, involving a range of measures from minor repairs and/or security work to major renovations.
 - 737 energy efficiency measures installed, including 25 renewable energy solar thermal hot water systems.
 - 20 empty properties bought back into use with renewal assistance for leasing to homeless households. This was out of a total of 154 long-term empty privately owned properties brought back into use in 2010/11.
 - 392 tonnes of CO₂ saved.
 - The programme also provided £440,000 funding to support the Government's £660,000 Disabled Facilities Grant 2010/11 allocation, resulting in 161 DFG completions, and more than £140,000 for other adaptations in the private sector that were not able to be funded via DFG.
 - 1000 handyperson jobs for vulnerable residents.
 - Over 100 Home Safety and Security audits.

Since 2003 the Private Housing Financial Assistance Policies have gradually moved towards more sustainable forms of financial assistance by the creation of assistance and loans which are repayable in line with Government direction. This has resulted in the move away from the previous grant culture of assistance to a more responsive, responsible loan based culture to deliver housing improvements in the private sector.

To deliver home improvement loans and tackle financial exclusion a successful Community Finance Initiative has been developed with a not-for-

profit partner, South Coast Moneyline, and other authorities, to focus on equity release and loans for people unable to access affordable mainstream finance options. Local authority funding provides 75% of the required capital and subsidises the interest rate so it is affordable. South Coast Moneyline levers in the remaining 25% of required capital privately.

The number of affordable loans provided via this route has increased year on year and in 2010/11 14 loans totalling £129,508 were completed.

Delivery of our Private Sector Housing Renewal Assistance programme has always being subject to availability of capital funding to support the assistance available to eligible households.

In order to maintain an effective and targeted Private Sector Renewal Programme within the restricted budget for 2011-12 and to sustain the programme in the longer term, it is recommended that the current Housing Renewal Policy be reviewed to enable us to manage within resources, to ensure that any remaining assistance is targeted at those most in need and that levels of support can continue to be offered, for example through the provision of affordable loans in place of grants.

City-wide Context

85% of the housing in Brighton & Hove is owned privately. The City has the sixth largest private rented sector in the country. Brighton & Hove has over seven times the number of converted flats than nationally.

Households in Brighton & Hove

Tenure	Dwellings	Percent
Owner Occupied	75800	62%
Privately Rented	28300	23%
Housing Association	6300	5%
Local Authority	12500	10%
All tenures	122900	100%

A key finding of the council's 2008 Private Sector Housing Stock Condition Survey was that 35% of the private sector housing stock fails to meet the Decent Homes Standard, this is substantially higher than the national average of 27.1%. This failure is largely driven by category 1 hazards under Housing Health & Safety Rating System and poor standards of thermal comfort.

Much of the City's stock (74%) was built before 1919, much higher than the national average, with solid walls and sliding sash windows, hindering energy efficiency. The historic nature of the city, with its many conservation areas and listed buildings also makes it harder to install energy efficiency measures.

Brighton & Hove has more than 10 times the national average of houses in multiple occupation where properties have been divided into flats, bedsits or rented out as shared houses. A large number of dwellings are owned by leaseholders with shared responsibility for their buildings.

- 3.10 Many households in the city have difficulty in paying for fuel to keep warm during the winter months. A substantial number of these households fall within the government's official definition of fuel poverty as they spend more than 10 per cent of their income on fuel to heat their homes. In addition, a relatively large proportion of our households did not have central heating or the sole use of a bath/shower according to 2001 census data. In our city 89 per cent of households reported having central heating/sole use of a bath/shower, compared to 94 per cent at the regional level.
- 3.11 At the beginning of 2011 it was estimated that to insulate our city's homes would cost £26,690,000. In the private sector, the cost was thought to be £25,850,000 to implement 64,625 insulation measures, such as adding loft insulation where there is none or where it is less than 200mm thick.
- 3.12 Despite being the most successful sector at reducing emissions, since 2005, the domestic sector in Brighton & Hove contributes 42 per cent of our total carbon emissions per capita, making it the single most significant source of carbon dioxide in the city. The proportion in the city is higher than both the region, at 32 per cent, and the nation, at 29 per cent.

3.13 Strategic Approach 2011-15

Taking into account the end of the BEST programme and Government Private Sector Housing Renewal funding under Comprehensive Spending Review it is recommended that the council reviews its Private Sector Housing Renewal Policy. This may include:

- Focusing resources on tackling inequality, fuel poverty & financial exclusion and on properties in the worst condition
- Prioritising assistance and interventions aimed at improving energy efficiency (dealing with excess cold), dealing with serious housing hazards, bringing empty properties back into use and adapting homes to meet the needs of disabled people.
- Continuing to move from a 'grant culture' through the increased take-up of loans, to enable funds to be recycled, enabling further assistance.
- Consideration of future prioritisation of Council budget to enable continued funding for private sector housing renewal assistance.

3.14 Future Funding Options

Future funding options are currently limited as there is no national housing renewal assistance programme but include:

- Increased use of recyclable affordable loans
- Home Energy Efficiency Investment Opportunities with energy companies becoming a main source of funding, including Community Energy Savings Programme, Feed-in Tariff, Renewable Heat Incentive
- Preparing for the introduction of Green Deal and Energy Company Obligation as a delivery tool for home energy efficiency measures in the cities homes
- Homes and Community Agency bid for Empty Homes Funding

- Consideration of future prioritisation of Council budgets to enable continued funding & support for private sector housing renewal assistance

4. CONSULTATION

- 4.1 The Council's current Housing Renewal Assistance Policy was established following a comprehensive consultation exercise conducted both within the Council and with external stakeholders. The intention has always been, in line with Government thinking, to continue to move from a grant to a loan culture and future recommended changes to the policy will reflect this.
- 4.2 If approved the proposed changes will be fully consulted on.

5. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The BEST funding came to an end on 31st March 2011 and it was announced in the Comprehensive Spending Review that there would be no further funding available. There was however an agreed carry forward from 2010/11 of £2.83m to continue the programme in 2011/12. Expenditure against this programme needs to be identified and monitored closely to make sure that this doesn't exceed the funding.

A further £0.723m has been received by the council in 2011/12 for the Disabled Facilities Grants

Finance Officer Consulted: Neil Smith

Date: 22/06/2011

Legal Implications:

- 5.2 The Regulatory Reform (Housing Assistance) Order 2002 confers on local housing authorities the power to improve living conditions in their area. That power is not exercisable until the authority has adopted and published a policy relating to the exercise of that power, and the power must be exercised in accordance with the policy. The Council first adopted such a policy in 2003 and has revised it regularly since. The current policy, adopted in 2008, recognises that the Assistance Programme is dependent on the availability of capital funding, for it includes the statement that, "In all cases, approval of assistance will be dependent on the availability to the council of sufficient resources to finance that assistance." A revised policy will need to be adopted and published in due course.
- Disabled facilities grants are available under the Housing Grants, Construction and Regeneration Act 1996. They are mandatory, and are not subject to the Housing Renewal Policy.
- The report's recommendations will not adversely affect any individual's human rights, but in dealing with individual applications for grants under the exercising policy, officers will need to take account of Article 8 (right to respect for private and family life).

Lawyer Consulted:

Liz Woodley

Date: 22/06/11

Equalities Implications:

- 5.3 The availability of assistance as part of the Council's Housing Renewal Policy provides help and assistance to disadvantaged householders. The implications of any changes to the Renewal Policy will be impact assessed in the normal way, and will come back to members for consideration.

Sustainability Implications:

- 5.4 Housing is one of the key objectives in the Council's sustainability strategy which aims 'to ensure that everyone has access to decent affordable housing that meets their needs'.

The Council's housing renewal activities identified in this report help to prevent ill-health, provide for basic needs by ensuring that dwellings are fit for habitation, are suitable for the needs of disabled occupiers, are energy efficient and help to reduce the level of fuel poverty in the City.

The Brighton & Hove Energy Action Partnership home energy efficiency grants scheme has made significant contributions to reducing CO2 emissions in the city during the period of the private housing renewal programme.

Crime & Disorder Implications:

- 5.5 The current programme tackles issues relating to empty properties, such as vandalism. Grants and advice are available for home security measures.

Risk and Opportunity Management Implications:

- 5.6 Policy development in this area is undertaken with due regard to appropriate risk assessment requirements.

Corporate / Citywide Implications:

- 5.7 This policy contributes to Council Priority 1 by helping to provide the homes people need and Priorities 2 and 3 by effectively using public money in the form of appropriate housing renewal assistance targeted at the households and properties in most need.

6. EVALUATION OF ANY ALTERNATIVE OPTION(S):

- 6.1 The council could cease providing any private sector renewal assistance beyond current commitments. However this would adversely affect vulnerable residents living in poor quality housing in the City and would not meet our key strategic goals.
- 6.2 The option of maintaining a narrow portfolio of financial products was considered but is not recommended as experience in other local authorities indicates that a broad range of flexible products is needed to encourage people to finance repairs or improvements to their homes using loans.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 In order to continue to provide assistance, in the light of reduced Private Sector Renewal funding the council needs to review its Housing Renewal Policy in light of future funding streams to ensure, where possible, continued moves to a loans based culture, ensuring sustainable long term assistance from any capital investment made and ensuring value for money, whilst protecting the most vulnerable.

SUPPORTING DOCUMENTATION

Appendices:

None

Documents In Members' Rooms

None

Background Documents

None

