

**South East Regional Housing Board
Private Sector Renewal Programme
Bid application 2008-11**

Bid Summary

**Strategic Housing
Partnership name:**

Surrey and Hants Improvement Partnership (SHIP)

**Lead Local
Authority:**

Elmbridge Borough Council

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**Partnership
members:**

Elmbridge Borough Council
Guildford Borough Council
Hart District Council
Runnymede Borough Council
Rushmoor District Council
Spelthorne Borough Council
Waverley District Council
Woking Borough Council

Bid Total (£):

968,684

**Headline planned
programme outputs:**

Improvements in the private sector housing stock in the West Surrey and North East Hampshire area, primarily occupied by vulnerable households and a significant contribution to PSA 7 through:

- Delivery of an affordable home improvement loan scheme
- A new fuel poverty scheme to target vulnerable householders living in hard-to-treat homes
- Increasing the number of empty properties brought back into use
- Creating an innovative partnership between the participating local authorities to share knowledge, expertise and best practice, and to import new and tested ideas into the area
- Establishing a platform for the development of complementary initiatives to address construction skills shortages and wider financial exclusion within the area.

Summary of activity:

This bid has three discrete but complementary elements:

1. The establishment of a recyclable Equity Loan Fund to support home improvements in the privately owned housing market
2. An enhanced grants programme to tackle fuel poverty for vulnerable owners and tenants of hard-to-heat homes in partnership with other bodies and existing grant schemes.
3. The development of an Empty Homes Initiative to bring long term empty properties back into use, increase the supply of higher quality private rented accommodation and provide additional accommodation for homeless households.

Targets:

Equity Loan Fund	<ul style="list-style-type: none"> • 87 repayment loans (10 year term) value £427,200 • 9 interest only loans (10 year term) value £46,800 • Further 248 repayment and 24 interest-only loans between 2011/12 and 2014/15
Fuel Poverty Scheme (to be delivered as part of a package of assistance building on existing schemes).	<ul style="list-style-type: none"> • 1000 non-decent properties made decent through appropriate energy efficiency measures • 800 vulnerable clients helped to escape fuel poverty • 20% of non-decent HMOs made decent through energy measures
Empty Homes Initiative	<ul style="list-style-type: none"> • support the use of EDMOs – 3 orders to be made* • establish website to publicise available grants and other LA initiatives, and to provide an additional mechanism for the reporting of empty properties

The linkages between each element offer a unique opportunity to provide a cost-effective and sustainable package of services for private sector housing in a large area of West Surrey and North East Hampshire harnessing both private finance and other forms of potential funding.

The bid also creates a new partnership between eight local authorities which promises greater co-operation and the promise of more joint working across administrative boundaries to find solutions to shared housing issues.

In summary this partnership is a scheme of match funding based on the following:

Equity Loan Scheme

LA Funding	41,874
RHB Funding	584,183

Energy Efficiency Initiative

LA Funding	280,000
RHB Funding	360,000
Warmfront Funding	560,000

Empty Property Scheme

LA Funding	nil*
RHB Funding	24,500

*nil for this initiative but more general funding of empty properties through existing LA grant programmes)

1. The Equity Loan Scheme

The proposal is to establish an Equity Loan Scheme as a recyclable loan fund for home improvement for those owner-occupiers that are excluded from mainstream financial services. There will be three distinct loan products offered at a subsidised rate of interest:

- Capital repayment loan
- Interest only loan
- Interest roll-up loan

Capital Repayment Loan Examples

Loan Amount	Term of Loan	Monthly Repayment	Total Cost
£3000	2 years	£131.47	£3155
£5000	3 years	£149.61	£5386
£10000	5 years	£188.20	£11292
£15000	10 years	£158.29	£18995

Interest Only Loans

Loan Amount	Term of Loan	Monthly Repayment	Total Cost
£3000	2 years	£12.50	£3300
£5000	3 years	£20.83	£5750
£10000	5 years	£41.67	£12500
£15000	10 years	£62.50	£22500

During the first three years of the project, development work will be undertaken to investigate the viability of an Interest Roll-Up product, a Shared Appreciation Loan, and a Faith-based loan.

The scheme is to be operated by South Coast Moneyline – a community development finance institution (CDFI) based in Portsmouth which already has a track record in delivering personal,

enterprise and home improvement loans to vulnerable households in partnership with local authorities, and is regulated by the Financial Services Authority. SCML is also the delivery partner for other bids to the RHB. The SHIP Equity Loan Fund will be managed in a separate company by SCML, which will exist for the sole purpose of home improvement loans within the Partnership area. This guarantees transparency and accountability and ensures that the Fund is invested in the long term for home improvement work for vulnerable people.

Delivery of the loan products will be local with the Scheme's staff liaising with partners, accepting referrals and interviewing applicants either at home, or in local community service points. Administration and financial services will be delivered by South Coast Moneyline at their Head Office. Bespoke IT systems between the local operators and Head Office will provide for security and business efficiency.

The proposed Loan Scheme offers low-cost loans for necessary home improvements which is responsible, safe and does not, of itself, lead on to higher levels of indebtedness through consumer lending, unlike many commercially available equity loans. Specific selling points include:

- an integrated service working in partnership with local authorities and home improvement agencies, ensuring that the customer receives the help that they need;
- a personal service, in which the customer will be directed to the most appropriate option based on their needs, which could be a discounted SCML loan, grant or a commercial loan; and access to benefits, debt and money management advice if necessary.
- flexibility in terms of the customers' payment plan, offering weekly or monthly repayments;
- a cost-effective mortgage loan product
- no penalty charges for settling the loan early;
- ability to lever in "top up funding " to existing grant schemes
- a product is offered which differs from that offered by mainstream providers.

SCML Loans Officers, working with customers, are trained to assess the customer's needs in a holistic way, and to make recommendations for different options, which might include different financial products, or benefit and debt advice, as well as the Equity Loan Scheme.

The proposed Loan Scheme provides for a new and additional option to statutory grants to allow older and disabled people to remain at home with a better quality of life. The limits of DFGs and minor works grants often mean that adaptations are undertaken on a

piecemeal basis and occupiers cannot carry out all the works required.

The financial profiles of the target audience for this new loan product are:

- Owner occupiers of working age in receipt of income support, income based jobseekers allowance, council tax benefit, incapacity benefit, disability living allowance, disabled persons tax credit, industrial injuries disablement benefit (IIDB), war disablement benefit (WDB), child tax credit and working tax credit (where relevant income is less than £14,200)
- Owner occupiers of retirement age in receipt of income support, state pension, pension credit, council tax benefit, attendance allowance, IIDB and WDB
- Private Sector Landlords (in certain circumstances)

The Centre for Urban and Regional Studies at the University of Birmingham in its study into the local nature and extent of poor housing conditions in the private sector in the South East states that 36% of vulnerable households live in non-decent accommodation.

The local authorities within this partnership cover both urban and rural areas and therefore the geographical reach of the loan product will be targeted to a broad spectrum of home owners, with particular emphasis on ensuring that the 90,000+ rural residents have equality of access. This is discussed in more detail in the marketing section of the bid. The rural/urban population is as follows:

	Total pop	Urban pop	Rural pop	% rural
Elmbridge	112011	103009	19002	15.57%
Guildford	129796	91965	37831	29.15%
Hart	83687	57877	25810	30.84%
Runnymede	78160	72397	5763	7.37%
Rushmoor	90944	90944	0	0%
Woking	89702	87792	1915	2.13%
Total			90321	

www.defra.gov.uk/rural/ruralstats/ruraldef-n/LAclassification_datasetregions.xls

The partnership area is home to a large BME community, with a concentration of Muslim households in Woking. Within this project we seek to develop a Halal finance product which meets the requirements of the Quaran and offers a means of home improvement finance to this community, many of whom live in poor and overcrowded conditions.

Census 2001 shows a Muslim population of around 9000 in the partnership area.

Development of a Shared Appreciation Loan will be pursued,

including the potential to offer equity loans to private sector landlords who have a contractual relationship with any of the local authorities within a choice-based lettings scheme to bring additional properties up to the required standard. This will increase the quality, number and range of properties available for rent. If viable, this knowledge can be shared with other local authorities

There is clear synergy with the bid element to reduce the number of households living in fuel poverty as the proposed Equity Loan Scheme offers an additional means of delivering fuel efficiency measures to households that either:

- Are marginally outside the eligibility criteria of the Warm Front grant scheme
- Apply for assistance when the grant scheme is exhausted
- Have the means of paying for a loan either through income, or through equity, leaving the Grants programme available for more needy applicants
- Are grant applicants whose homes need additional works not covered by grant

Value for money

The Equity Loan Scheme is developed along the lines of a CDFI model of lending as such requires a significant levels of funding/pump priming in the early stages for example:

- Loan capital
- Administration, training and marketing costs
- Interest subsidy

This element of the bid is shared with other bidders in South Hampshire and East Sussex, all delivered by South Coast Moneyline. This means that the operational costs are shared and therefore much more cost effective than setting up stand-alone schemes. By working with South Coast Moneyline, these bids offer the Regional Housing Board the opportunity to grow the capacity of third sector community finance providers in the South East.

The proposed Equity Loan Scheme offers extremely good value for money by utilising the significant levels of equity, which is held within the private sector housing stock. The partnership area has “benefited” from huge rises in property prices over the past 10-15 years and this scheme offers a means of unlocking this asset to improve private housing standards without burdening the owner with unacceptable levels of debt.

The Loan fund will be recyclable, giving a multiplier effect, and therefore creating a sustainable fund for the future.

The Scheme offers a useful means to “top-up” existing grants programmes so that owners can get better value for money by getting all their improvements done under one contract, rather than a more costly series of smaller projects. The “top-up” also gives greater flexibility to Home Improvement Agencies and local authorities in assisting customers, particularly Disabled Facilities Grant applicants.

The Equity Loan Scheme offers the potential for an alternative form of finance to private sector landlords to:

- Encourage more landlords to participate in choice-based lettings schemes in partnership with local authorities
- The higher interest rate charge to landlords could cross-subsidise the costs of lower interest rates for owner occupiers
- Landlords may recover the cost of interest payments against tax

2. Fuel Poverty Scheme

The proposed programme concentrates on tackling fuel poverty experienced by occupants of hard to heat homes. It employs existing surveyors working for partner local authorities, Home Improvement Agencies and Warm Front to identify qualifying properties and prescribe treatment from a suite of highly effective energy efficiency measures not normally covered by existing grant programmes.

The types of homes that will be eligible for these special measures are:

- older solid wall properties
- rural properties with poor access to conventional heating fuels
- properties with inaccessible or difficult roof spaces
- complex HMO properties and
- mobile/park homes.

Eligibility criteria are shown in the “further information” section

The measures that can be employed are internal or external wall insulation, roof insulation for mobile homes and alternative heating systems. In addition, part of the funding will be utilised to capture households suited to more conventional measures but which may have slipped the net of usual methods of referral. Often the clients most in need of assistance with energy efficiency measures are the most vulnerable and their need can go unnoticed. In the case of

HMOs, landlords can be put off carrying out energy efficiency work due to the often complex nature of the properties.

The partnership is well placed to identify these clients as participating authorities and agencies have excellent local networks and links to landlord forums, medical professionals, carers and others working with potential clients. The RHB funding will be matched by client contributions, participating local authorities and will “top up” existing Warm Front and CERT initiatives.

A suitable managing agent with the skills, capacity and ability will be appointed to manage the project. Eaga have been approached and have offered their support in principle and would seriously consider becoming an active partner. They will oversee the specification of works, appointment of contractors, grant payment and monitoring and reporting.

Value for Money

This project seeks to attract multiple funding solutions from both private and public sector pots. A proportion of supplemental funding will come from surveyed properties receiving Warm Front eligible funds and CERT money obtained by Eaga from the most appropriate supplier according to measures required and the client involved.

The government consultation on the proposed CERT suggests that the unconventional measures proposed for this project could receive up to 58% funding through the CERT. The project team are in discussions with a number of energy suppliers about possible collaboration.

Additional funding will come from client contributions including private homeowners using the partnership’s sister equity release scheme and landlords of HMO’s. This will be in varying levels from 25% - 50% according to eligibility criteria.

4. Empty Homes Initiative

The proposal is to provide additional means to encourage and to offer a real incentive to owners of empty homes to bring their properties back into use and to contribute to an increased supply of housing stock. This proposal would be delivered through two initiatives:

- Empty Dwelling Management Orders – to develop the use of Empty Property Management Orders amongst the local authority partners and to work in conjunction with a RSL to manage the property on behalf of the local authority. Early discussions are taking place with Hyde Housing Association.
- Empty Homes Website - To develop a website to publicise the grant and all other partner local authority initiatives for owners of empty properties and to provide an additional mechanism for the reporting of empty properties across the

partnership.

Empty Dwelling Management Orders

The success of existing incentives such as grants and leasing schemes and general assistance to owners of empty properties have been limited. The local authority partners have found that where grants are offered to owners of empty properties the take up is poor. It is clear that whilst the partners will continue to offer incentives there is an increasing need to look more closely at taking enforcement action through the use of Empty Dwelling Management Orders.

Since Empty Dwelling Management Orders came into force in July 2006 none of the partner local authorities have used this as a method of enforcement.

The use of Empty Dwelling Management Orders can be expensive to the local authority especially in cases where considerable work is needed to bring the property to a lettable standard. The cost of such works would be met wholly by the local authority and recovered from the owner of the empty property afterwards. However, there are various costs which are not recoverable. The proposal seeks to utilise funding to cover the additional costs which would not otherwise be recoverable. It is anticipated that the local authority partnership will carry out three Empty Dwelling Management Orders in three years and require financial assistance for £2500 per property.

The partnership has considered appropriate targets for delivery of EDMO's. As these are heavily prescribed, lengthy orders requiring significant resources the group has decided to set a realistic and achievable target of 3 orders and more importantly putting in place robust management arrangements.

As this enforcement action has not been used before it would encourage the partner local authorities to pursue Empty Management Dwelling Orders as a real option. If successful this bid will enable the partnership to deliver the benefits of EDMO's as follows:

- Provide a useful additional tool to the local authority partners where incentives have failed to bring property back into use
- To encourage owners of empty properties to work closely with the local authority by providing a viable enforcement sanction
- Increase the number of private rented properties available for provide accommodation to those in greatest housing need, including homeless households
- Maintain the quality of the area and neighbouring property

values

- Provide a co-ordinated approach of the partnership local authorities and RSL by working closely together and maximising resources to bring empty properties back into use and to contribute to an increased supply of housing stock.

Evidence

The South East is the one of the highest demand areas in the country for housing. The South East Housing Strategy stated that there was a need for at least 32,000 new homes to be built each year. In 2006 it was estimated that there were 84,562 empty properties in the South East region (Empty Homes Agency, 2006). The number of empty homes for each partner is shown below:

Local Authority	No. of empty properties	No. of properties empty for longer than 6 months
Elmbridge	1660	535 (32%)
Guildford	1000	650 (65%)
Hart	590	150 (25%)
Runnymede	802	430 (54%)
Spelthorne	850	520 (61%)
Waverley	1756	921 (52%)
Woking	574	389 (67%)
Total	7232	3595

Among the local authorities within the partnership, many already offer grant assistance. However, these grants are limited per year and focus primarily on properties that require considerable financial investment. The proposal will encourage the take up of current incentives on offer.

Financial assistance currently offered

Elmbridge	No specific budget for empty property grants, although policy states that the maximum grant available is £20,000 per application - never taken up
Guildford	Grant of up to £20,000 or 50% of cost (whichever is lower) per application – poor take up
Hart	No financial assistance offered
Runnymede	No financial assistance offered
Spelthorne	50% grant up to £10,000 per application - recently introduced
Waverley	Equity Share loan, max £30,000 per application – poor take up
Woking	Grant of up to £20,000 – poor take up

The new partnership will develop already strong relationships between the local authority partners, as there will be a co-ordinated approach adopted throughout the area in tackling empty properties. By combining the expertise of each local authority more empty properties will be brought back into use, making better use of the existing housing stock.

Website

Effective publicity will be critical to the success of the grant and the other tools used by each local authority. Establishing an innovative website will promote effectively the work of all of the partner local authorities and also act a central contact for members of the public to report an empty property or for owners of empty properties to find out more information.

The benefits to both the partnership and the audience are:

- To provide a dedicated up to date information service
- Develop a co-ordinated approach by the partner authorities towards empty homes
- Promote the tools available to the owners of empty homes and to encourage the take up of services on offer
- To provide a means of communication for members of the public to report an empty property
- For the partnership to promote joint working and to promote its services
- Cost effective
- To reach a wide ranging audience
- Links to further websites
- Raise public awareness of empty properties

The website will be updated by dedicated officers from the partner local authorities on a regular basis. There will be specific pages designed for each partner, which will contain information on specific initiatives and also contain e-forms to help in the reporting of empty properties that may not be highlighted from other sources.

Value for money

The proposal provides excellent value for money by:

- Providing the local authority partners with an effective enforcement option to be used where incentives have failed to bring empty properties back into use
- Allowing local authorities to promote good practice and develop expertise through partnership working
- Promoting the wide ranging initiatives available from each local authority
- Maximising resources through working in partnership

- Providing additional private rented properties for families facing homelessness that may be facing B&B accommodation subsidised by the local authority.

The proposal will fund additional costs needed to implement Empty Dwelling Management Orders and the initial set up and maintenance costs of the website over three years.

Planned Innovation:

Equity Loan Fund

- The scheme is a recyclable loan fund, which means that as capital repayments are made by customers back into the loan pot this money is ring-fenced for additional lending. Therefore a multiplier effect is guaranteed, enabling more customers to benefit from the initial loan capital investment. This also provides authorities with wider opportunities to assist objectives;
- A range of loans may be offered and can be complementary to other products including “in-house” local authority financial assistance;
- Repayments are secure, with minimal bad debt risk (an allowance of between 0.5 – 2.0% bad debt has been made);
- Private finance can be accessed for these products. An equity charge can also be introduced;
- There is security for an owner of working with a quality and reputable lender. Full ownership of the property is retained

Fuel Poverty Scheme

- Offer of free Energy Performance Certificate for landlords of HMO’s who participate.
- Assisting development of methods for treating park homes, which have extremely low SAP ratings.
- Client contribution facilitated by repayable grant mechanism and equity release scheme developed by the partnership, and landlord contributions
- Providing a good basis for cost reduction of unconventional measures through economies of scale, particularly park homes.

Empty Homes Initiative

- Using the internet to publicise the help available and encourage take-up and to provide a means for the public of reporting empty dwellings – this data will provide much

needed additional information

- Developing a partnership between local councils and a RSL to test the use of EDMOs for effectiveness in returning stock to use.

1. Projected Outcomes/Outputs Summary

What will the planned programme deliver?

a) Number of homes occupied by vulnerable households made decent:	Equity Loan Scheme	96	
	Fuel Poverty Scheme	800	
	Empty Homes Initiative	-	
b) Number of homes made energy efficient and moved towards decency:	Equity Loan Scheme	-	
	Fuel Poverty Scheme	1000	
	Empty Homes Initiative	-	
Planned activity by theme: (number of interventions)			
Thermal comfort/ Fuel Poverty	Other Decent Homes Grants / Minor works	HMOs and Private Landlords	Empty Homes
1000		100	3
Other			
Repayment equity based loans	87 loans over three years plus additional loans - estimated 249 between 2011/12 and 2014/15		
Interest only equity based loans	9 loans over three years plus additional loans – estimated 24 between 2011/12 and 2014/15		
Product development	Shared appreciation loans, Faith-based loans, Skills to Build and additional financial inclusion measures		

Please explain how this bid contributes to objectives laid out in housing or sustainable community strategies or other local strategies (public health, local development framework, local strategic partnership or other)

		Link
Regional Housing Strategy		
Local Housing Strategies	Sets out the local housing needs both in terms of the condition of the housing stock and the needs of individual households. It also considers the whole housing market and all tenures types. The strategy focuses on priorities and outcomes in responding to the housing needs of the whole community.	E.g. http://www.hart.gov.uk/index/community_living http://www.elmbridge.gov.uk/housing/hsstat.h http://www.woking.gov.uk/wbc/strategies#hou
Local Fuel Poverty Strategies	Sets out how to address the needs of low income households living in poor energy efficiency homes as low income has an obvious effect on the ability of households to spend enough on keeping warm.	E.g. http://www.spelthorne.gov.uk/hsgprvtstrategy/ www.rushmoor.gov.uk/index.cfm?articleid=17 www.rushmoor.gov.uk/ubdex.cfm?artucke,ud=
Local Energy Strategies	Sets out ways to: <ul style="list-style-type: none"> • improve the energy efficiency of housing in the Borough and ensure that all residents can afford to heat their homes adequately. • help curb the emissions that lead to climate change combating climate change, reducing fuel poverty, ensuring security of fuel supply and boosting the economy at the local level. 	E.g. http://www.guildford.gov.uk/NR/rdonlyres/10E/BE679DAE2ECA/0/EnergyStrategy.pdf
Local Private Sector Renewal Policies	outlines assistance for vulnerable owner occupiers living in the poorest condition, which collectively consists of a suite of options including grants, advice, loans and handyperson services	E.g. http://www.guildford.gov.uk/GuildfordWeb/Hou http://www.waverley.gov.uk/housingstrategy/p http://www.spelthorne.gov.uk/hsgprvtstrategy/ www.rushmoor.gov.uk http://www.woking.gov.uk/wbc/strategies#priv
LDF	Considers how to meet	

	<p>Government proposals for more homes to meet growing demand, to make housing more affordable, and to create places and homes that people want to live in.</p> <p>Includes: Statement of Community Involvement: within it is the Council's service level agreement with stakeholders and the community, which covers engagement in the plan-making process</p>	<p>http://www.guildford.gov.uk/GuildfordWeb/Pla http://www.waverley.gov.uk/ldf http://www.spelthorne.gov.uk/environment www.rushmoor.gov.uk</p>
Community Plan	<p>Seeks to improve the economic, social and environmental well being of all in the Borough through the work of Local Strategic Partnerships</p>	<p>http://www.waverley.gov.uk/corporate/plan/se http://www.spelthorne.gov.uk/progress_on_lsp http://www.woking.gov.uk/council/planningser http://www.waverley.gov.uk/lsp http://www.spelthorne.gov.uk/progress_on_lsp www.rushmoor.gov.uk http://www.windowonwoking.org.uk/sites/lsp http://www.elmbridge.gov.uk/council/</p>
<p>Health 2006 Government White Paper 'Our Health, Our Care, Our Say'</p> <p>Local Health Improvement Plans</p>	<p>Outlines the need for the NHS to meet the challenges of an ageing population. The paper highlights the following goals of this new direction for the health and social care system:</p> <p>From the public health perspective, the bid accords with the missions and values of both the Surrey and Hampshire Primary Care Trust's and specifically their remits to improve the health and well-being of their populations by addressing health needs and health inequalities</p>	<p>http://www.dh.gov.uk/en/Policyandguidance/Cthourcareoursay/index.htm</p> <p>http://www.hampshirepct.nhs.uk/mission http://www.surreypct.nhs.uk/who-are-we</p>
Local (other)		
LA21 strategies	<p>In this strategy Waverley sets out its detailed action plan for progressing towards sustainable development in the 21st century at a local level</p>	<p>http://www.waverley.gov.uk/susdev/strategy.a http://www.woking.gov.uk/environment/la21</p>
	<p>Ethnic Minority Housing Strategy (Woking) 2004 – 2010</p>	<p>http://www.woking.gov.uk/council/housing/pol</p>
	<p>Surrey Supporting People Strategy</p> <p>The proposals to target initiatives at vulnerable people,</p>	

	specifically the fuel poverty and home improvement loan schemes, complement the broad objectives of the Supporting People programmes and related five-year strategies for both Surrey and Hampshire, focussing on promoting independent living.		

2. Baseline Position

How many non-decent privately-owned homes are there in your partnership area?	89894
How many of those are believed to be occupied by vulnerable households?	23059
How many Houses in Multiple Occupation are in the partnership area?	2143
What is your best estimate of how many are non-Decent?	625

Please detail estimates by local authority area

Authority	Non-decents	Of which vulnerable h'holds	HMOs	Non-decent HMO
Hart	8772	3158	69	18
Guildford	15822	3702	460	135
Waverley	14064	3291	250	73
Woking	11134	2605	80	23
Runnymede	8029	1879	499	145
Elmbridge	15529	3634	200	59
Spelthorne	5703	2253	85	25
Rushmoor	10841	2537	500	147

Please summarise each authority's record in delivering private sector housing measures since 2003/4. Please continue on a separate sheet if necessary.

See overleaf

Matrix of Housing Assistance (excluding Disabled Facilities Grants)

Each Local Authority has different types of grant or loan. This table combines them all

	2003/04		2004/05		2005/06		2006/07	
	number	value £	number	value £	number	value £	number	value £
Elmbridge								
Renovation Grant	1	52,281	5	87,529	7	90,632	3	22,355
Renovation Grant (landlords)	5	7,541	2	3,042	0	0	n/a	n/a
HMO grants	0	0	0	0	0	0	n/a	n/a
Home Repair Grants	6	19,868	24	68,597	15	40,231	9	25,935
Guildford								
Renovation / HMO / Minor Works	77	211,000	53	210,000	41	137,000	52	210,000
Minor Works							7	10,000
Hart								
Renovation	5	28,861	n/a	n/a	n/a	n/a	n/a	n/a
Home Repairs Assistance	25	51,145	n/a	n/a	n/a	n/a	n/a	n/a
Minor Works	n/a	n/a	5	7,000	36	46,000	36	40,000
Runnymede								
Renovation	5	28,861	1	13,240	n/a	n/a	n/a	n/a
Home Repairs Assistance	55	42,077	n/a	n/a	n/a	n/a	n/a	n/a
Minor Works	28	4,498	57	8,502	74	14,016	16	6,133
Major Works	1	684	9	24,855	9	26,345	5	13,014
In-house loans	1	4,729	7	28,205	2	7,003	8	51,435
Rushmoor								
Renovation	7	40,274	1	14,947	n/a	n/a	n/a	n/a
Home Repairs Assistance	41	100,627	41	87,455	n/a	n/a	n/a	n/a
Housing Renewal Grants	n/a	n/a	n/a	n/a	56	144,381	68	176,342
Improvement	3	13,367	n/a	n/a	n/a	n/a	n/a	n/a
HMO	4	9,905	7	10,402	-	Incl in HRGs	-	Incl in HRGs
Spelthorne								
Home Repairs Assistance	19	52,581	n/a	n/a	n/a	n/a	n/a	n/a
Housing Renewal Grants	4	15,374	8	20,544	8	13,086	6	16,359
Renovation	12	31,057	1	549	n/a	n/a	n/a	n/a
Houseproud loans	0	0	4	59,840	3	27,460	2	31,981
Waverley								
Private Sector Renewal (combined)	51	112,600	29	92,000	41	95,000	38	100,000
Woking								
Renovation & HMO	7	47,121	4	48,724	0	0	2	13,409
Home Repairs Assistance	28	37,810	1	1,996	n/a	n/a	n/a	n/a
Minor Works (Safe & Warm)	5	9,313	30	113,289	41	98,885	37	116,229
CRI (Energy Efficiency)	n/a	n/a	n/a	n/a	n/a	n/a	6	13,169
Empty Homes	0	0	1	270	1	20,222	1	1,325

Level of Housing Repair / Renovation activity undertaken by the partnership authorities.

	2003/04		2004/05		2005/06		2006/07	
	number	value £	number	value £	number	value £	number	value £
Grants and in-house loans * without Waverley	390	921,574	286	841,146	331	732,801	287	805,705
Loans, externally funded * these are "Houseproud" loans accessed by Spelthorne only.	0	0	4	59,840	3	27,460	2	31,981

When were private sector housing strategies adopted by the partnership authorities, when were they last reviewed? Please include date and rating of any partner authorities' private sector delivery inspected by the Audit Commission

LA	Strategy	Adopted	Reviewed	Audit Comm.
Elmbridge	Housing Strategy	2004		
Guildford	Housing Strategy	2000	2005,2007 (draft)	
Hart	Housing Strategy	2005		Aug. 06 - Fair
Runnymede	Housing Strategy	2006		
Rushmoor	Housing Strategy	2005		
Spelthorne	Housing Strategy	2004	2007	
Waverley	Housing Strategy	2006	2007	
Woking	Housing Strategy	2005	Due March 08	

3. Investment Requirements

What is the estimated total investment required to bring all private sector housing up to the decent homes standard in the partnership area? (£)

592M

What is the estimated total investment required to bring all private sector housing **occupied by vulnerable households** up to the decent homes standard in the area? (£)

139M

Please explain the calculation of this estimate

The mean cost to make a property decent was taken from the EHCS 2005 data for all private sector housing. This was multiplied by the numbers for non decent and non decent occupied by vulnerable households. Those figures were derived from local authority housing strategy documents and regional data from EHCS 2005.

The cost of bringing all households up to decent standard using thermal measures only would be lower. This is calculated at £46M. This of course assumes that all such households could be brought up to decent standard by using such measures.

Over 20% of all private sector properties failing decent homes standard do so as a result of inadequate thermal comfort alone. By targeting these properties, there is a good opportunity to make a large number of properties decent and in many cases doing so at much lower cost than the EHCS estimates.

4. Expenditure Plans

What is the total cost of the Partnership's planned PSR programme 2008-11? (N.B. This is the total investment in private-sector renewal proposal set out within this bid).

£1.850M

What capital resources (£) are available from partners' own budgets to supplement Regional Housing Pot funding?

£321,874

Please detail the arrangements in place or under development to coordinate parallel funding available from Warm Front, the EEC/ CERT initiative and any other resources

£560K

Partnership agreed with Eaga, and a proportion of supplemental funding from Warm Front and CERT. Additional funding from client contributions, including equity release loans and from landlords of HMOs.

Delivery Plan

For further information the South Coast Moneyline Equity Loan Scheme Business Plan and financially modelling is available from the Partnership – see overleaf

Please outline the main activities to be funded by this bid. Please include location for locality-based initiatives

Activity	No. of cases	Cost	Objective	By whom
Equity Loan Scheme				
Delivery of Equity Loans	96	553,184	To release equity in non-decent homes to provide funding for home improvements for vulnerable owner occupiers to achieve decent standard	South Coast Moneyline
New product development		31,000	To develop a Faith-based loan	South Coast Moneyline
New product development		Costs to be borne by SHIP	To develop Shared Appreciation Loan with private sector landlord differential interest rate loan	South Coast Moneyline
New product development		20,000	To undertake a feasibility study on establishing a "Skills to Build" project in the partnership area	To be tendered
Fuel Poverty Scheme				
Solid Wall Insulation to solid wall properties	50	156400	To bring such solid wall properties that would fail the decent home standard by thermal comfort criteria to decent standard. To substantially reduce fuel bills in these cases and take occupants out of fuel poverty	Scheme contractors
Solid Wall insulation to park homes	100	230000	To bring such park home properties that would fail the decent home standard by thermal comfort criteria to decent standard. To substantially reduce fuel bills in these cases and take occupants out of fuel poverty	Scheme contractors
Loft insulation to hard to treat roof space properties	290	290000	To bring such properties that would fail the decent home standard by thermal comfort criteria to decent standard. To substantially reduce fuel bills in these cases and take occupants out of fuel poverty	Scheme contractors

Biomass boilers to be fitted to rural homes with no access to lower cost fuels	25	135075	To bring such properties that would fail the decent home standard by thermal comfort criteria to decent standard. To substantially reduce fuel bills in these cases and take occupants out of fuel poverty	Scheme contractors
Cavity wall and loft insulation to easier to treat properties	100	73400	To bring such properties that would fail the decent home standard by thermal comfort criteria to decent standard. To substantially reduce fuel bills in these cases and take occupants out of fuel poverty	Scheme contractors
Cavity wall insulation only to easier to treat properties	175	72975	As above	Scheme contractors
Loft insulation only to easier to treat properties	260	82420	As above	Scheme contractors
Decent Homes Surveys	1000	20000	To carry out 50% of the property surveys with others to be done by housing officers of participant partner authorities and Eaga	Managing agent Scheme partners
Energy Performance Certificates for HMOs	100	4000	To incentivise landlords to participate in the scheme and improve the information they provide to tenants	Managing agent
Scheme management	1000	120000	To ensure smooth operation of the Scheme and maximise take-up	Managing agent
Marketing		32900	To maximise access to target groups and ensure good take-up	Scheme partners
Empty Homes Initiative				
Partnership agreement with RSL			To achieve a formal partnership between 8 local authorities and the RSL and establish EDMO protocols	Scheme partners and RSL
Conduct EDMO procedures	3	7500	To bring empty properties up to decent standard and into occupation	RSL
Set up Empty Homes website		5000	To publicise LA financial assistance packages, provide a public empty homes reporting mechanism, raise public awareness and provide links to other information sources	Scheme partners
Website hosting and maintenance		10500	Ongoing support and refreshing of website	Scheme partners with IT company

5. Monitoring Arrangements

Please describe the planned arrangements for the partnership and its members to monitor progress against objectives and report to the Regional Housing Board.

Woking Borough Council's in-house Project Management System "Work Together" is a web-based system. The system takes a Project from its inception stage, through Business Planning, Sign Off and Implementation. It contains a Risk Register, based on the Council's overall Risk Management Strategy, which is updated throughout the currency of the project. The system provides for milestones and reporting data and concludes with a formal assessment of the success of the project and what learning points can be gained for the future. This system can be shared with all partners to the project through the SHIP Project Partnership Board comprising of:

- SHIP members
- Health and social care representatives
- CAB
- Landlords Forum
- Regional Housing Board

In addition, SCML shall seek to develop a series of Key Performance Indicators to ensure the effective monitoring of the success of the programme. Monitoring and evaluation of the scheme will be undertaken by SCML. This shall include:

- Quarterly meetings with all local authorities in the Consortia;
- Individual meetings with each local authority to review performance, including loan delivery against the Business Plan and marketing activities;
- Submission of regular management information reports on a monthly/quarterly basis, as required;
- Submission of individual reports for each customer seen in a home visit and reported to the local authority as required;
- Presentations to local authorities, home improvement agencies, other bodies and to the Regional Housing Board as required.

A formal review of each Business Plan will also be conducted annually, with quarterly reviews undertaken at consortia meetings.

SCML shall also review examples of good practice elsewhere in the UK, to maximise the potential for greater efficiency and improved quality of service.

6. Evaluation

How will the partnership evaluate the effectiveness of the programme in meeting its objectives?

Key milestones:

Establish Project board

Establish themed working groups and action plans for each element

Report outputs quarterly meetings bi-annual reporting

Stakeholder evaluation:

- Warm Front
- GOSE
- SCML
- CAB Debt and Money Management Group
- Landlord Forum

Also, see above for equity loan fund specifically

Statistical outputs on

- Loans applied for/approved
- insulation measures
- website hits
- capital EDMOs served
- BVPI 64 performance
- homes made decent
- families taken out of fuel poverty

7. Communication

How will the partnership locate and interact with its target households?

For the Equity Loan Scheme the Partnership proposes a twin approach, utilising the Marketing Plan outlined in the SCML Business Plan (which is fully costed in the bid) and by using local networks to target households identifiable through a range of indicators available to local authorities:

- Owner occupiers of working age in receipt of income support, jobseekers allowance, incapacity benefit, disability living allowance, child tax credit and working tax credit, council tax claimants and disablement benefits
 - housing advice/housing options seekers
 - DFG/minor works grants applicants
 - Joint assessment teams
- Owner occupiers of retirement age in receipt of income support, state pension, pension credit, attendance allowance and disablement benefits
 - council tax claimants
 - joint assessment teams
 - DFG/minor works grants applicants
- Specific neighbourhoods where housing stock is generally in poor condition, in both urban and rural environments (there is the potential for working with parish councils and the rural community development workers at Surrey Community Action and Rural Housing Enablers at Community Action Hampshire)

- Potential customers identified and referred through a range of “intermediaries” or partners –
 - Primary Care Trust
 - Hospital discharge teams
 - Community Mental Health teams
 - Adult social care
 - Children’s Services
 - Voluntary and Community Services – handyman schemes, Citizens Advice Bureaux, Age Concern etc.

Information on the Equity Loan Scheme to be made available in three ways:

1. Printed materials (in large print and various languages), widely circulated through direct marketing to target households and through the above routes and intermediaries
2. Local authority and partners’ web pages
3. Scheme employees and local authority staff trained to deliver in-depth information to potential applicants

Information on the Empty Homes Initiative through the dedicated website and through scheme partners.

Press releases will also be used to publicise the partnership initiatives.

8. Innovation

Please describe any feature of the programme that may be viewed as innovative or may act as a pilot study on behalf of the region.

It is the complementary nature of the three elements of this bid which make it innovative and have the potential to be replicated elsewhere. The availability of equity based loans has the potential to enhance the delivery of energy efficiency measures, and to encourage owners of empty properties to put them back into use. Equally, those customers who are seeking energy efficiency may be attracted by an equity loan for other works to their properties. This complementarity holds the promise of achieving more than the sum of its parts.

Foster partnership working by groups of local authorities

This proposal creates an innovative partnership between diverse local authorities in Surrey and Hampshire which share similar private sector renewal issues. Through joint working to deliver the Equity Loan Scheme each local authority will strengthen its links with partners. It is anticipated that this will lead to closer working relationships on a range of housing (and other) issues.

The partners to this scheme will gain from joint learning and sharing of expertise and best practice between authorities, including other local authorities running similar schemes outside the partnership area. The grouping also lends itself to the development of the financial inclusion agenda where products and services can be developed and delivered across local authority boundaries to achieve critical mass and value for money, and to the benefit of local residents for whom arbitrary local government boundaries often create barriers to access.

Addressing financial exclusion

An Equity Loan Scheme in 7 local authority areas in the SHIP partnership offers an opportunity to develop additional community finance products and initiatives to address financial exclusion in this area.

A study in 2006 commissioned by SEEDA identified that there is significant financial exclusion in the South East, and that there are identifiable pockets of financial exclusion in otherwise affluent areas. There are few, if any interventions or services available to address the problem and, in general, the South East lacks the spread of community finance initiatives that exist in the north of the country.

By introducing the Equity Loan Scheme, the participating local authorities will gain an understanding of (and confidence in) community finance and the value of recyclable loan schemes, which can then become a platform to widen provision to meet specific needs, including micro-enterprise lending, back to work loans, personal loans for essential spend, Islamic-compliant lending schemes*, low cost home insurance, flexible savings and joined-up access to debt and money advice to increase financial capability. In this way, a “financial inclusion pathway” can be created to lift people into mainstream financial activity, with the skills necessary to maintain financial health.

*An example of Halal lending is operating in the West Midlands through the Fair Finance consortium for enterprise

Construction Industry Skills Shortage

The Regional Economic Strategy recognises that there is a shortage in people sufficiently skilled to deliver regional growth. The consortium of local authorities is interested in using this partnership to explore the options for a “Skills to Build” project that will

- Provide a “home grown” quality assured workforce to carry our home improvements financed under the scheme
- Contribute to the pool of skilled tradespeople in the area
- Work in partnership with the Learning and Skills Council, Jobcentre Plus, Connexions and construction trade bodies

A similar scheme operates in Coventry – details can be seen at [:http://www.coventry.gov.uk/ccm/content/city-development-directorate/regeneration-services/skills-employment-and-performance/construction-training.en;jsessionid=aSnJtRgayY6](http://www.coventry.gov.uk/ccm/content/city-development-directorate/regeneration-services/skills-employment-and-performance/construction-training.en;jsessionid=aSnJtRgayY6)

Hastings Trust in East Sussex also operates a Skills2Build scheme to meet the demands of the local construction industry.

A Skills2Build Community Interest Company linked to the Equity Loan Scheme could provide sufficient income to subsidise the costs of the loan operation beyond 2010.

9. Other information

Please use the space below to present any other relevant details not covered elsewhere in the form

South Coast Moneyline is a Community Development Finance Institution, and is the trading arm of the Portsmouth Area Regeneration Trust. The Trust was established by Portsmouth Housing Association in 2000. South Coast Moneyline is a member of the Community Development Finance Association and is regulated by the Financial Services Authority.

Community Development Finance Institutions (CDFIs) have emerged to provide an alternative source of finance for financially excluded individuals, and are often a “lender of last resort” to small business and social enterprises. Community orientated finance has had a positive impact in the UK and abroad through providing capital to those left behind by the market, at affordable rates. CDFIs have demonstrated their ability to deliver financial services effectively, to reduce vulnerability and to increase the quality of life of their customers. They have also demonstrated that they have the ability to extend the reach of financial services to underserved markets and to deliver financial services in non-conventional ways, which reduce risks and operating costs (www.jrf.org.uk)

The CDFI sector in the UK is worth around £400million and has financed close to 10,000 businesses, created 10,000 jobs and kept another 85,000 people in work and contributed more than £106,000,000 to the economy (www.cdfa.org.uk)

South Coast Moneyline has been operating a Home Improvement Loan Scheme in partnership with five local authorities on the south coast. The scheme began in April 2006 and loans totalling £11,767 were made, lower than initial forecasts but providing a sound basis for the current financial year. Many lessons have been learned in Year 1, leading to some adjustment of operational policies and procedures and necessary changes made to each local authority’s financial assistance and referral policies. This learning provides a valuable platform for the proposed new scheme in Surrey and Hampshire.

A report, published by the Department of Communities and Local Government, dated March 2007, entitled “Loan Finance to improve housing conditions for vulnerable owner occupiers” – examines the key role that the Third Sector, in particular Community Development Financial Institutions (CDFIs) have played in developing and providing loan products and services to vulnerable people. It suggests that delivery models need to be locally based at the engagement end and, at least, regionally based at the loan-issuing end so that economies of scale can be achieved.

CDFI’s provide the ideal vehicle to deliver home improvement loans as well as linkages to other forms of lending and regeneration projects.

Fuel Poverty Scheme

Eligibility and grant levels:

All applicants will be means tested. The criteria used for Warm Front shall also apply to the project. Vulnerable households will include those in receipt of one or more of the following:

1. Householders aged 60 or over in receipt of one or more of the following benefits:
 - Income Support
 - Council Tax Benefit
 - Housing Benefit
 - Job Seekers Allowance (income-based)
 - Pension Credit
2. Householders with a child under 16, or pregnant women with maternity certificate MAT-B1, in receipt of one or more of the following benefits:
 - Income Support
 - Council Tax Benefit
 - Housing Benefit
 - Job Seekers Allowance (income-based)
 - Pension Credit
3. Householders in receipt of one or more of the following benefits:
 - Working Tax Credit (with an income of less than £15,460, which must include a disability element)
 - Disability Living Allowance
 - Child Tax Credit (with an income of less than £15,460)
 - Housing Benefit (which must include a disability premium)
 - Income Support (which must include a disability premium)
 - Council Tax Benefit (which must include a disability premium)
 - War Disablement Pension (which must include a mobility supplement or Constant Attendance Allowance)
 - Industrial Injuries Disablement Benefit (which must include a mobility supplement or Constant Attendance Allowance)
 - Attendance Allowance

Mobile Homes:

If the unit was built prior to 1995, it will not have been subject to British Standard BS 3632:1995 Specification for Residential Park Homes. This laid down certain thermal performance requirements. It is not nearly as strict as current building regulations for new dwellings (see below) and so all mobile homes have low SAP ratings, but it will have provided some assurance that mobile homes from that date forward are insulated to some extent. Therefore, occupants of mobile homes built after this date will have to make a 25% contribution to the cost of works. If they do not meet the scheme means test, they will have to make an additional 25% contribution to the cost. Occupants of pre 1995 mobile homes who also meet the means test will be eligible for 100% grant.

BS 3632: 1995 states that the thermal insulation standard or “U” value for a new mobile home shall not exceed 1.0 W/m²K that is 0.6W/m²K for the external walls and floor construction and 0.35 W/m²k for the roof.

Part L of Building Regs Requirements for Elemental Method

U-value thermal performances

<u>Element</u>	<u>U-values (W/m² K)</u>
Pitched roof with insulation between rafters	0.2
Flat roof	0.25
Wall	0.35

Houses

The Department for Communities and Local Government has indicated that a SAP rating of 35 or below can be taken as a proxy for a Category 1 Hazard under the Housing Health and safety Rating System. Therefore, the first criteria for houses to be eligible for assistance is that it should have an extremely low SAP rating.

Vulnerable clients shall be eligible for 100% grant. Non vulnerable households shall be required to contribute 25% of the cost of works. This will be enabled through the use of the partnership’s sister equity release scheme.

HMOs

HMOs should have an extremely low SAP rating to qualify. The house will be rated as one single dwelling.

If the property is occupied by at least 1 vulnerable household then the landlord must contribute 25% of the cost of works. If there are no vulnerable households then the landlord must contribute 50% of the cost of works.