

APPENDIX D

WAVERLEY BOROUGH COUNCIL

EXECUTIVE - 7 OCTOBER 2008

Title:

**SURREY AND HAMPSHIRE IMPROVEMENT PARTNERSHIP (SHIP)
TACKLING FUEL POVERTY AND EMPTY HOMES IN WAVERLEY**

**[Portfolio Holder: Cllr Richard Gates]
[Wards Affected: All]**

Summary and purpose:

This report asks the Executive to consider entering into a partnership to deliver new initiatives to tackle poor housing conditions and fuel poverty in privately owned properties in the Borough. These initiatives would compliment existing tools in the private sector home improvement policy.

Environmental implications:

The project will have multiple benefits in respect of reducing carbon emissions and utilising existing resources more effectively. Where the number of long-term empty homes is being reduced there may be an improvement on the visual environment of the area.

Social / community implications:

- Reduce the number of vulnerable people living in non-decent homes
- Reduce the number of households living in fuel poverty
- Support regeneration to create sustainable communities
- Foster partnership working by groups of local authorities.

E-Government implications:

Information on the scheme will be available on Waverley's website.

Resource/Value for Money and Legal implications:

This report proposes to use an underspend in the 2008-09 capital budget to fund the year 1 costs and it requests the Council's commitment to a further two years funding in the capital programme.

Officers will ensure that the Borough's interest is suitably safeguarded before entering into any contractual or framework type agreement and complete Waverley's approved partnership framework checklist. This will ensure that partnership risks have been identified and measures put in place to overcome these.

Background

1. Eight local authorities in the West Surrey/ North East Hants area collaborated to formulate a single bid to the Regional Housing Board (RHB). The RHB successfully secured funding for private sector initiatives to extend the range of support that the Council could offer private householders. The bid was for a project for almost one million pounds and focussed on three schemes that are described in more detail below. The eight local authorities participating in the bid application are:

Elmbridge Borough Council
Guildford Borough Council
Hart District Council (Hampshire)
Runnymede Borough Council
Rushmoor District Council (Hampshire)
Spelthorne Borough Council
Waverley Borough Council
Woking Borough Council

2. The lead authority is Woking BC and they have been informed that the bid has been given approval by Ministers but the amount awarded is likely to be £822,000. Authorities have been advised to proceed to produce a detailed project plan to Government Office South East having regard to the reduced level of funding. Details of the bid have been set out below with the necessary scaling back to take account of the lower level of funding.

Bid to Regional Housing Board

3. The main objectives that the RHB set out in their guidance to applicants were that bids should aim to: -
 - Reduce the number of vulnerable people living in non-decent homes
 - Reduce the number of households living in fuel poverty
 - Support regeneration to create sustainable communities
 - Foster partnership working by groups of local authorities.

The bid covered the three-year period from 2008/09 to 2010/11 and the partnership of the eight local authorities has called itself the 'Surrey and Hants Improvement Partnership' (SHIP). A copy of the bid application is attached at Annexe 1.

4. The bid is made up of three schemes in which different partner Authorities have expressed an interest; The Equity Loan Fund, Fuel Poverty Scheme and Empty Homes Scheme:
 - I. The establishment of a recyclable Equity Loan Fund to support home improvements in the privately owned housing market. Five Authorities are taking part. – not including Waverley. An Equity Release Loan Scheme is already available to Waverley Residents through Houseproud and the Home Improvement Trust at no cost to the Council. This is available for major works for the benefit of the elderly or disabled residents.

- II. 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. The scheme will be known as the Fuel Poverty Scheme. (Seven Authorities are taking part– including Waverley).
 - III. The development of an Empty Homes Scheme 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. (Seven Authorities are taking part – including Waverley).
5. The bid requested £968,000 of RHB funding over the period 2008-2011 to be apportioned between the partnership members. This has been reduced to £822,000.
 6. Matched funding from the local authorities over the three years will be required as shown in the following table.

Scheme	Cost	RHB contribution	Other sources of funding	LA contribution
Empty Homes	£23,000	£23,000		Nil
Fuel Poverty	£1.57m	£313,190	£863,721	£400,000
Equity Loan	£577,638	£485,810		£91,828

7. This report considers in detail each element of the bid that Waverley are involved with and the potential consequences of the Council's involvement in SHIP.

Fuel Poverty Scheme

8. The bid provides funding to extend the assistance available towards improving hard to heat homes, extending what is already available via the 'Warmfront' scheme and utilising funds made available by the energy utilities. Providing the assistance available towards heating systems and insulation measures is a significant means of reducing the number of non-decent homes occupied by vulnerable people. There is an emphasis in the bid to tackle hard to heat homes, which currently are not as popular with funders due to their higher costs. 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 Houses in Multiple Occupation
 - Mobile/park homes

9. It fits well with the Council's priorities and targets to tackle carbon emissions and more recently the National Indicator 187 on fuel poverty.
10. The project aims to improve 1,000 non-decent properties in the SHIP area through appropriate energy efficiency measures. The scheme would enable approximately 140 dwellings within Waverley to be made more energy efficient for a relatively small outlay. The number of properties improved will depend on the cost of the type of work needed.
11. The proposed activities that are to be supported are set out on pages 22 and 23 of the bid application (see Annexe 1). The total value of the work is £1.57m. SHIP will use the grant from the RHB of £313,190 and seeks to use other funding of £863,721 as described in paragraph 14 below. The remaining £400,000 will be met by the 7 SHIP partners over the 3-year period of the initiative.
12. Based on 7 local authority partners each having an equal share of work in line with the projections, Waverley's capital contribution to the scheme would be within £60,000 in total. It is estimated to be divided as £10,000 for 2008/09 and £25,000 for both 2009/2010 and 2010/11.
13. Officers are requesting that the funding of £10,000 for 2008/09 be met by a virement of a saving identified within this year's Capital Budget for the House Condition Survey that has now been completed. The funding for years 2009/10 and 2010/11 will need to be allocated as an additional commitment in the Capital Programme.
14. This scheme seeks to attract multiple funding solutions from both private and public sector sources. A proportion of supplemental funding will come from surveyed properties receiving Warm Front eligible funds and Carbon Emission Reduction Target (CERT) money obtained by Eaga from the most appropriate supplier according to measures required and the financial means of the client involved.
15. The bid proposes using 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 programme will be managed by a suitable agent with the requisite skills to deliver such a project. They will oversee the specification of works, appointment of contractors, grant payment and monitoring and reporting.

Empty Homes Scheme

16. The bid resulted in modest funding being provided by The Regional Housing Board of £23,000 towards the development of means to deal with long-term empty homes. Waverley's financial contribution would be nil. The proposal is to offer encouragement and incentives 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 local Resident Social Landlords to manage the property on behalf of the local authority.
 - Empty Homes Website - To develop a website to provide useful information to anyone owning or thinking of buying, selling or letting an empty property and to provide an additional mechanism for the reporting of empty properties across the partnership
17. After the 3-year period, SHIP partners will assess the success of these initiatives. The on-going costs will be relatively modest. The scheme will continue to be funded by the SHIP members if the scheme provides good value for money, and the costs are affordable to individual partners.
18. Officers consider that there is merit in Waverley participating in this element of the bid to the RHB. If the RHB impose onerous conditions, it will be possible to withdraw from the bid at that stage. Otherwise, this offers a good opportunity to test initiatives that could lead to better management of empty homes in the Borough.

Resource Implications

19. Following the last Capital Budget Monitoring a potential saving was identified in relation to the House Condition Survey and it is proposed to utilise this unspent budget provision to provide funding of £10,000 for 2008/2009. A further provision of £25,000 in both 2009/2010 and 2010/2011 is requested to support the scheme. At the time of writing this report the deadline for partner authorities signing up to the project and the three-year funding is 10th October 2008. Therefore, Members are asked to consider agreeing to a bid being included in the Capital Programme at this stage. Without this commitment now within the Capital Budget for the next two years Waverley cannot take part in the SHIP schemes identified in this report. Officers have considered whether the home improvement grants budget could be reduced to finance this partnership but it is not expected at this stage that sufficient savings could be made.
20. The revenue contribution to support Woking Borough Council acting as the Lead Authority for the project is £1,000 per annum that can be met from the Environmental Health Service budget.

Conclusion

21. The RHB bid prospectus offers access to grant funding to improve private sector housing renewal in partnership with local authorities. Waverley is part of the SHIP group of local authorities.
22. The Fuel Poverty Scheme and the Empty Homes Scheme could be introduced to Waverley as additional tool to assist improvements in private sector conditions. The schemes effectively support National, Regional and local priorities and maximise the Boroughs contribution extremely efficiently.

Recommendation

It is recommended that the Executive:

1. agrees to enter into the Surrey and Hampshire Improvement Partnership to participate in the fuel poverty and empty homes elements of the project;
2. authorises the Strategic Director of Community Services to sign the Memorandum of Understanding and associated contractual/framework agreements in consultation with the Head of Legal Services;
3. agrees to recommend the Council to agree to the project at a total cost of £60,000 over 3 years, financed as follows:-
 - (a) £10,000 to be met from the forecast underspend on the capital programme; and
 - (b) £25,000 per year be included in the draft capital programme for 2009/10 and 2010/11; and
4. requests officers to report back every six months on the success of the partnership.

Background Papers (SDCS)

Bid to Regional Housing Board

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