

TONBRIDGE & MALLING BOROUGH COUNCIL

STRATEGIC HOUSING ADVISORY BOARD

7 January 2008

Joint Report of the Director of Health and Housing and Cabinet Member for Housing

Part 1- Public

Matters for Recommendation to Cabinet - Non-Key Decision (Decision may be taken by the Cabinet Member)

1 DISABLED FACILITIES GRANT/HOUSING ASSISTANCE GRANT UPDATE

Summary

This report updates Members on the current spend for both the Disabled Facilities Grant (DFG) budget and Housing Assistance budget. The report also details a recent request to Government Office for the South East (GOSE) for additional DFG subsidy and provides an update on the recent bid for private sector renewal funding (2008-2011) to the Regional Housing Board (RHB).

1.1 Background

- 1.1.1 Members will be aware of the ever increasing demand for Disabled Facilities Grants. DFGs remain a mandatory grant and the Council receives a 60 per cent subsidy from Government up to a capped amount. The Council must fund the remaining 40 per cent. However, any grant costs exceeding the capped amount are funded 100per cent by the Council – i.e. without any subsidy from Government.
- 1.1.2 In February 2007 Members adopted a revised Housing Assistance policy which incorporated the key findings of the Private Sector House Condition Survey and feedback from the consultation exercise on the new policy. Members are reminded that take-up of discretionary housing assistance grants has been limited in previous years and it was hoped this new, more focussed policy would stimulate home owners to improve their properties.
- 1.1.3 At the October 2007 meeting of the Board, Members were informed of a partnership bid for an allocation of the South East Regional Housing Board Private Sector Renewal Programme 2008 -11. The bid was led by Tonbridge & Malling Borough Council and the partnership is made up of eight local authorities in Kent.

1.2 Disabled Facilities Grant (DFG) Budget

- 1.2.1 The DFG budget for 2007/08 is £502,000 (made up of £301,000 subsidy from central Government and £201,000 Council funding). As at 12 December 2007, £395,000 has been spent with a further £230,000 committed. I am predicting a spend on Disabled Facilities Grant in the region of £560,000 by the end of 2007/08.
- 1.2.2 In October 2007 the Council was contacted by Government Office for the South East (GOSE) to ask what additional DFG funding the authority could use if additional funding was made available. GOSE stressed that their request did not mean additional funding would definitely become available. In response it was explained that there is an anticipated shortfall in the DFG budget for 2007/08 of £58,000 (£560,000 - £502,000). Based on 60 per cent subsidy this equated to a request for additional Government grant of £35,000. In making this request the Council had to commit to providing the requisite 40 per cent match funding (£23,000) from capital funds. Members should note this was achieved through a re-profiling of the DFG budget over the next five years.
- 1.2.3 Clearly demand on the DFG budget remains high. For the purposes of 'bidding' for subsidy in 2008/09, allocation assumptions submitted to Government assumed a spend of £600,000. We will know in February 2008 our subsidy allocation and will of course provide a further report to this Board.
- 1.2.4 It is important that Members are also aware of other potential pressures on the DFG budget. In response to a recent Audit Commission inspection Russet Homes have been implementing changes to the DFG process for their tenants to speed up their adaptations service. The changes so far implemented include Russet Homes agreeing to pay their tenants notional loans (assessed contribution under DFG process) up to £1,000. This has led to Russet Homes tenants not having an initial financial assessment as the majority of their contributions are nil or less than £1,000. This can speed up the process by two to four weeks. In addition Russet Homes has undertaken a tendering exercise to establish a schedule of rates for some of the DFG work. I am satisfied that this process has been done properly and as a result three local contractors have been appointed to undertake all shower works under a DFG for Russet Homes tenants. These three contractors already undertake a significant amount of DFG work and so are well known and trusted. The costs being achieved under the new schedule of rates are the same or slightly cheaper than at present under individual job tendering. As a result we are getting more value for money from the DFG budget. However, by carrying out DFG work under a schedule of rates, Russet Homes will almost certainly improve efficiency through not having to tender for each job. This could reduce the timescale within the process by up to at least three months.
- 1.2.5 The impact of these changes is significant for the workload of the private sector housing team and the DFG budget. It is estimated that Russet Homes have 150 DFGs presently in their system and the new ways of working will speed the

process up considerably leading to an anticipated increase in applications over the coming months. Members will be aware that in previous years up to 70 per cent of the DFG budget has been spent on Russet Homes properties and these changes have the potential to increase this share.

- 1.2.6 Your officers will monitor carefully the new way of working by Russet Homes and the number of DFG applications being received and paid out. A further report will be presented to this Board at a later date.

1.3 Housing Assistance Budget.

- 1.3.1 Housing Assistance grants are now being targeted at first time buyers as well as tackling fuel poverty and health issues through the Warm Homes Assistance. So far in 2007/08 the work includes :

- five first time buyers have been assisted in bringing their properties up to the decent homes standard;
- the insulation of eight properties has been improved;
- full central heating has been provided for four properties;
- window replacement at six properties has been completed;
- electrical installations at three properties have been made safe;
- new water supply has been provided at two properties; and
- roof repairs have been completed at two properties.

- 1.3.2 As at 12 December 2007 £137,000 has been spent against a budget in 2007/08 of £300,000, with a further £148,000 committed. The total expenditure for 2006/07 on housing assistance grants was £91,000 so we have already increased spend this year by 50 per cent. Members are reminded that at the last meeting of this Board agreement was given to allocate *in touch* (Home Improvement Agency) £100,000 to work on improving homes in the borough to the Decent Homes Standard. At present this leaves £63,000 of the budget unspent however with known commitments I am satisfied the budget will be spent by end of March 2008.

- 1.3.3 The improved spend this year represents a significant improvement in our performance on last year and must be attributed to the revised housing assistance policy which is proving attractive to those in need and delivering housing improvements.

1.4 South East Regional Housing Board Private Sector Renewal Programme 2008-11

- 1.4.1 A partnership bid for an allocation of the South East Regional Housing Board Private Sector Renewal Programme 2008-11 was made in October 2007. The bid

was led by Tonbridge & Malling Borough Council and the partnership is made up of eight local authorities in Kent: Tonbridge & Malling BC, Tunbridge Wells BC, Sevenoaks DC, Maidstone BC, Ashford BC, Dartford BC, Gravesham BC and Medway UA.

- 1.4.2 The bid focussed on the Decent Homes agenda, improving energy efficiency including renewables and introducing the concept of loan provision.
- 1.4.3 The bid amount was £12 million over the period 2008-11 across the eight local authority areas.
- 1.4.4 I am pleased to report the RHB assessed the bid along with a further eight from across the region and it was judged to be the second strongest in the region. A recommendation for funding to the tune of £9.75 million has been made by the RHB to Government and ministerial support is hoped for in February 2008.
- 1.4.5 If supported by Ministers this equates to approximately £1.62 million over three years for Tonbridge & Malling and presents an exciting and challenging time ahead for private sector renewal.
- 1.4.6 A significant amount of work was put in to the bid by members of the Housing Service, who volunteered to be the lead authority. I believe it is testament to that work that we find ourselves in this position. Once the funding has been confirmed a further report will be presented to Members of this Board along with details of how the monies will be spent.

1.5 Legal Implications

- 1.5.1 Disabled Facilities Grants are a mandatory grant under the Housing Grants, Construction and Regeneration Act 1996.

1.6 Financial and Value for Money Considerations

- 1.6.1 I am predicting an overspend on the DFG budget in the region of £58,000 and I have requested further subsidy (60 per cent) from GOSE of £35,000 with the Council funding the remaining 40 per cent.
- 1.6.2 The RHB's recommendation of support for the partnership bid for private sector renewal funding is likely to mean an allocation of £1.62 million to Tonbridge & Malling over the three year period 2008-11. Confirmation of the allocation funding should be received in February 2008.

1.7 Risk Assessment

- 1.7.1 None

1.8 Recommendations

CABINET is RECOMMENDED to:

- 1.8.1 **NOTE** the predicted overspend on Disabled Facilities Grants and the request to Government Office for the South East for additional subsidy in respect of this; and
- 1.8.2 **NOTE** the changes in the way DFGs are handled by Russet Homes and the potential impact this may have on the DFG budget from 2008/09; and
- 1.8.3 **INVITE** the Director of Health and Housing to report further on the outcome of the bid for future private sector renewal resources together with further details on how such funds will assist with implementing the Housing Strategy and Housing Assistance policies.

The Director of Health and Housing confirms that the proposals contained in the recommendation(s), if approved, will fall within the Council's Budget and Policy Framework.

Background papers:

contact: Linda Hibbs

Nil

John Batty
Director of Health and Housing

Councillor Mrs Jill Anderson
Cabinet Member for Housing