

LONDON BOROUGH OF BRENT

MEETING OF THE EXECUTIVE
26 April 2004

FROM THE DIRECTOR OF HOUSING SERVICES

FP REF: HSG-03/05-23

NAME OF WARD(S)
ALL

REPORT TITLE: HOUSING CAPITAL PROGRAMME 2004-05 and 2005-06 -
SCHEME APPROVAL

For: Approval

Above Below
Confidential Line

1. SUMMARY

This report seeks approval for Schemes to be funded from the 2004-05 and 2005-06 Housing Investment Plan Budget.

2. RECOMMENDATIONS

2.1 To agree that the 2004-05 and 2005-06 investment Plan budget, which is included in the Housing Capital Programme, be allocated as follows:-

Scheme	2004-05 £000	2005-06 £000
Disabled Facilities Grants	570	500
New Units	980	0
Supporting People	300	0
Total	1,850	500

2.2 To agree to allocate the forecast £350k increase in the Disabled Facilities Grant Specified Capital Grant in 2005-06 to the Housing Private Sector Housing Capital Programme.

2.3 To note that the Supporting People capital scheme will be met from the Housing Investment Plan, subject to agreement of 2.1 above. Therefore the total Housing Capital Programme 2004-05 will reduce by £300k to £39,154k. This sum will be provisionally carried forward to 2005-06 to provide for the forecast increase in the Disabled Facilities Specified Capital Grant.

3. FINANCIAL IMPLICATIONS

- 3.1 On 1 March 2004, the Council agreed the Capital programme for 2004-05. They also agreed a forecast budget for 2005-06. The agreed Housing Capital Programme for 2004-05 and the forecast budget for 2005-06, is as follows:-

Scheme	Budget 2004-05 £000s	F'cast 2005-06 £000s
Private Sector Housing	5,300	5,300
New Units	3,969	3,969
Chalkhill Redevelopment	271	0
Investment Plan	1,850	500
Supporting People (to be self funded)	300	0
Tenants Incentive Scheme	300	0
Decent Homes	27,464	16,764
Total	39,454	26,533

- 3.2 This report is concerned with the Housing Investment Plan capital budget of £1,850k and £500k for 2004-05 and 2005-06 respectively, which was provided in order to fund various Housing Initiatives. Officers have taken account of the Council's Corporate Strategy and the priorities for the Housing Service, and recommend that the 2004-05 and 2005-06 investment plan should be allocated as follows:-

3.3 Disabled Facilities Grants - £570k in 2004-05 and £500k in 2005-06

- 3.3.1 Disabled Facilities Grants (DFG's) are grants that are given towards the cost of providing adaptations and facilities to enable a disabled person to continue to live in their property. DFG's are mandatory grants under the Housing Grants Construction and Regeneration Act 1996 and are in line with the "Quality of Life" aspect of the Corporate Strategy.
- 3.3.2 The budget for DFG's in 2004-05 is currently £2,030k (which is included in the £5,300k for Private Sector Housing in the table at 3.1 above), of which approximately 60% is met by ODPM grant. This will enable approx 100 DFG's to be completed in 2004-05.
- 3.3.3 There are currently approximately 200 households on the DFG waiting list. Each household has to wait around a year before their enquiry is actioned. Generally, as each grant is processed, and the household removed from the list, new applicants replace them. The waiting list therefore hovers around 200 households.

- 3.3.4 Employing 2 extra surveyors until March 2006 will enable us to process 100 more enquires off the waiting list during 2004-05 than would otherwise be the case. This should result in 24 more completed jobs in 2004-05, and 34 more completed jobs in 2005-06. DFG schemes often need plans drawing and planning permission, so these take several months of work before they can be put out to tender and subsequently approved. Therefore 34 jobs surveyed in 2004 won't complete until 2005-06, hence the necessity for a 2 year solution.
- 3.3.5 Officers are recommending that the DFG budget be increased by £570k in 2004-05 and £850k in 2005-06. It is important to note that the commitment for 2005-06 will be generated through the work undertaken in 2004-05. If the £570k is agreed for 2004-05, then this will increase the subsidised grant in 2005-06 by around £350k. Therefore although it is recommended that we spend an additional £850k in 2005-06, only £500k would fall to be borne by the Council. Officers are therefore also recommending that the increased Government Grant for DFG's in 2005-06 be allocated to Private Sector Housing on the Housing Capital Programme so that the plan can be fully funded.
- 3.3.6 Members should be aware when considering committing expenditure from the 2005-06 forecast capital programme that currently it is not balanced and savings or further unsupported borrowing are likely to be required as part of the budget setting process. Therefore agreement now to committing expenditure could restrict members' ability to address this gap. However, if the commitment is not made it will not be possible to progress this scheme and so the proposed expenditure in 2004-05 will not be relevant.
- 3.3.7 This proposal, all things being equal, would mean that by March 2006 the DFG waiting list should be down to about 100 households, with a 6 month wait before each enquiry is actioned.
- 3.3.8 There are currently 6 surveyors dealing with DFG's. In order to administer the increased DFG programme, two additional surveyors costing £41k each would be recruited for approximately two years, and their costs will be met from fees generated by the additional DFG programme and other existing resources.

3.4 New Units - £980k in 2004-05

- 3.4.1 The Government has recently changed the mechanism for supporting development housing associations development programmes via capital loans/grants, previously termed LASHG (local Authority social housing grant). Taking account of these changes, the Council has agreed a capital programme of £3.97M for 2004-05, which should provide 100% nomination rights to approximately 45 new permanent homes in the Borough.
- 3.4.2 The additional £980k is to be added to this programme to further maximise the advantages of the new supply programme maximising affordable housing development, a key Corporate strategic aim.

- 3.4.3 The new supply programme reduces the need for temporary accommodation, including Bed and Breakfast accommodation and directly impacts on temporary accommodation budget provision. The programme additionally supports the Borough's diversity strategy by targets set for the transfer of units to recognised black and minority ethnic groups providing specialist management; and also provides construction training and employment opportunities.
- 3.4.4 The funding is focused on developments which have potential for delivery of family sized units for rent, and which have advanced ownership and planning status. Officers intend to maximise outputs and secure efficiency gains by funding fewer but larger development schemes. At current prices the additional funding should provide an additional 8 permanent family sized homes. Existing preferred RSL partners have been invited to submit bids accordingly.

3.5 Supporting People - £300k in 2004-05

- 3.5.1 On 1 March 2004 the Council agreed a £300k growth bid for a Supporting People capital scheme in 2004-05 which would be self funded. This report is requesting approval to fund the scheme through the Housing Improvement Plan for 2004-05, thus reducing the total Housing Capital Programme for 2004-05 to £39,154.
- 3.5.2 This Supporting People capital scheme will contribute to remodelling properties to ensure their long term viability as supported Housing Services. It is estimated that this would fund 2 individual remodelling schemes.

4. STAFFING IMPLICATIONS

It will be necessary to recruit two surveyors for a period of two years to deliver the additional Disabled Facilities Grant programme.

5. LEGAL IMPLICATIONS

- 5.1 The Housing Grants Construction and Regeneration Act 1996 requires local authorities to award disabled facilities grants in certain circumstances (the mandatory grants), and gives discretion to do so in other circumstances. The grants are available to owner occupiers, tenants of housing associations, private sector tenants and council tenants. Applicants must be in need of adaptations to enable them to live in safety and comfort and to stay in their homes.
- 5.2 Reduction of reliance on bed & breakfast accommodation has been driven by government policy for some time now and was recently enshrined in legislation. As of 1 April 2004 it will be unlawful for a local authority to place a homeless family (a household with children or a pregnant family member), in a hotel for more than six weeks. The new legislation deems such accommodation unsuitable in all but very limited circumstances and gives homeless families a strong legal basis for challenge. The new supply programme will help the Council to avoid the use of unsuitable B&B accommodation.

6. DIVERSITY IMPLICATIONS

- 6.1. Disabled Facilities Grants are a grant towards the cost of providing adaptations and facilities to enable a disabled person to continue to live in their property. Increasing the Disabled Facilities Grant budget will provide for a further 24 and 34 additional adaptations to be undertaken in 2004-05 and 2005-06 respectively.
- 6.2 At present, the Asian community receives a high percentage of DFG's. Around 53% of all DFG applicants are Asian, while around 27% of Brent residents are Asian. DFG's are mandatory grants and the eligibility criteria requires a referral by an Occupational Therapist following assessment of the needs for adaptations followed by means testing. Therefore grants are awarded on the basis of need, both medical and financial.
- 6.3 The New Units Programme supports the Borough's diversity strategy by setting targets for the transfer of units to recognised black and minority ethnic groups providing specialist management; and also provides construction training and employment opportunities.

7. DETAIL

See Financial Implications.

8. BACKGROUND INFORMATION

- Agenda and reports for Executive Committee on 9 February 2004

Anyone wishing to obtain further information on this report should contact:

Eamonn McCarroll
Housing Finance Manager
Housing Finance Team
5TH Floor, Mahatma Gandhi House
34 Wembley Hill Road
Wembley, Middlesex HA9 8AD

Tel: 020 8937 2468

Fax: 020 8937 2282

E-mail: eamonn.mccarroll@brent.gov.uk

Martin Cheeseman
Director of Housing