

**Executive Member Decision Session –
Neighbourhood Services & Housing**

15th March 2011

Report of the Assistant Director of Housing and Public Protection

**Removal of Private Sector Renewal funding - Impact on the York
Home Improvement Agency**

Summary

1. The report advises the Executive Member about the local impact on services for York's private residents and in particular the York Home Improvement Agency, of the national removal of private sector renewal funding.

Background

2. As part of the Comprehensive Spending Review (CSR) there was a national decision to end the allocation of funding for private sector renewal from 1st April 2011. For York the 2010/11 allocation was £817k, which currently funds our discretionary help for the most vulnerable homeowners in the city to maintain their homes through our grants and assistance policy. The main help being through our programme for:
 - a) Loans– both the simple home safety loan for works less than £4k and for more extensive work and the home appreciation loan for more extensive work,
 - b) Energy efficiency grants both for elderly residents and for private tenants
3. The funding also helps the council's wider priorities by offering grants to encourage owners to bring empty homes back in to use which are then let through our YorHomes letting agency.
4. This work contributes directly to the aims to our private sector renewal strategy 2008-2013. The proposed refreshed action plan for the strategy outlined in a separate paper at this decision session recognises that we will have to find alternative ways of helping residents.
5. A revised grants and assistance programme will be brought to the executive member for a decision on in June 2011 which will review what financial assistance can be offered to customers in future by the council.
6. However, the removal of the funding has a direct effect on service delivery. Currently there are two main services, which deliver a range of services to

support and improve the housing conditions in the private sector and maintain the independence of the most vulnerable of York's residents

7. The council's own Housing Standards and Adaptations team which delivers both mandatory and discretionary functions. Mandatory functions include regulation of the private sector (with a focus on the rented sector) and the adaptation service (minor and major adaptations across all tenures). The discretionary service includes supporting the private sector renewal programme through advice and financial assistance (loans). Other significant area of work includes two council priorities (and emerging coalition priorities) around empty homes and the delivery of energy efficiency measures to homeowners and private rented sector.
8. The York Home Improvement Agency (HIA) whose primary focus has been delivering the discretionary private sector renewal programme by providing technical, caseworker and administrative support for customers to submit loans where appropriate. The contract held by Yorkshire Housing for the HIA is due to expire on the 31st March 2011. There is a separate contract with the same organisation for the handy person scheme, which is fully funded by supporting people, which ends in February 2012.
9. Impact on the Housing Standards and Adaptations service are that two fixed term posts, a sub regional loans officer and a technical officer post, both due to end on the 31st March 2011 and will not be renewed:
10. The impact on the York Home Improvement Agency will be that the contract for the agency will finish at the end of this month and the contract will not be renewed due to the lack of private sector renewal funding for their primary area of work helping customers to maintain their home through the provision of loans.
11. The HIA is funded directly by the council (£68k) and by the supporting people programme (£30k). It currently employs three officers and shares managers with two other agencies
12. Colleagues in the Supporting People team are already in discussion with Yorkshire Housing about redirecting 80% of their £30k funding to the York Handyperson, which offers support to elderly and vulnerable residents. Local research and surveys both for the private sector strategy and older persons strategy have identified the need for a local Handyperson services to help residents
13. The council is in discussions with the managers from the HIA to reduce the impact on the current customers who they are currently supporting to ensure that the impact on them is minimised. Together, we are ensuring that wherever possible work is completed before the HIA contract expires and putting in place transitional arrangements with those customers whose work will not be completed before 31st March 2011.

Consultation

14. The York Home Improvement Agency has been advised that the council will not be in a position to renew the contract at the end of this month. We will contact all customers advising them of the transitional arrangements when they have been finalised and confirm them in writing.

Options

15. Option 1 – To agree **to not** renew the York HIA contract on its expiry.
16. Option 2 – To agree to renew the contract for the York HIA on its expiry

Analysis

17. Option 1 – The withdrawal of the national funding for private sector renewal works will result in there being no capital funding from which to support the work currently carried out by the HIA. It is proposed that the supporting people funding that is currently allocated to the HIA be, in part, transferred to the York Handy Persons Scheme that is managed by the same organisation.
18. Option 2 – If the council were to agree to renew the contract it would need to find significant capital investment to fund a renewal / grants & assistance scheme. Without the capital funding, there will be no preparatory works for the HIA to carry out.

Implications

19. **Financial** – There is a loss of capital funding amounting to £817k, the impact of this reduction in funding will be a corresponding reduction in the housing loans/grants capital scheme. The reduction in capital funding also has an impact on the revenue account. Firstly, loans/grants offered generated income in the form of an administration fee for CYC, this reduction in income will be offset by the ending of the fixed term technical officer post (para 8). In addition £80k of the capital grant was used to fund staffing costs associated with the loans/grants programme which indirectly was the HIA work. Therefore, in 2011/12, the saving of £68k from ending the HIA contract will be required towards meeting this shortfall in revenue. The remaining £12k will be met from miscellaneous fee income generated through the teams other private sector works. This position will be reviewed during 2011/12 to establish if there are any efficiency savings which can be achieved due to the changes outlined in this report.
20. **Human Resources** - There are two FTE employees on fixed term contracts, which expire on 31st March 2011. As the work in which they are employed ceases to exist in its current form the post holders have been informed that their contracts will not be renewed. Normal provisions for redundancy have already commenced. With regard to the York Home Improvement Agency we have

advised them we are not seeking to renew the contract. They are no TUPE implications for the council.

- 21 **Equalities** - The reduction in funding will have an impact on vulnerable private sector householders as we will not be able to offer the same direct help through loans for repair and maintenance or grants for energy efficiency.
- 22 There are no other implications arising from this report.

Risk Management

- 23 The risks associated with the proposals in this report are low and score less than 16. In compliance with the Council's risk management strategy there are no direct risks.

Recommendations

- 24 That the Executive Members is asked to:
- Note the impact of the private sector renewal funding on service delivery both within the council and with our partnering organisation the York Home Improvement Agency; &
 - Approve Option 1 as outlined in Para 15, to **not** renew the York HIA contract on its expiry.

Reason: To ensure that the council does not incur unnecessary financial expenditure.

Contact Details

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Report Approved **Date** 28th February 2011

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

York Home Improvement Agency Contract