

**SOUTH EAST ENGLAND
REGIONAL HOUSING BOARD**

Date: 5 December 2007

Subject: **Item for Information
Private Sector Renewal Expenditure 2006-7**

Report of: Regional Private Sector Renewal Manager
Government Office for the South East

Recommendations:

It is recommended that the Board note the contents of this report.

1. This report comments on the first year's performance of the Board's 2006-8 private sector renewal programme. The 2006-7 year represented a significant change in the way local authorities were funded and asked to operate. It was the transition year in the Board's bold, innovative approach to maximising the effect of the available funding.
2. The decision in 2005 to focus the PSA7 (private sector housing) element of the regional Housing Pot on the most acute areas of need resulted in 22 local authorities being recommended to Ministers for support for 2006-8.
3. The authorities notified the Board's officers of their proposed programmes in July 2006; performance information about the first year (2006-7) was collected between June and October 2007. Detailed output information for each local authority is contained in the attached Annex A.
4. The local authorities were given freedom to design programmes to meet local need and circumstance, guidance was provided through the Regional Housing Strategy (pp77,79 - see Annex B).

1. Summary of Outcomes

- 1.1 In encouraging each local programme to reflect the priorities of its area the housing strategy objectives have been met across the regional programme.
- 1.2 Funding was directed by local authorities to services offering assistance to selected types of local household - to improve the quality or fabric of the dwelling in order to meet the decent homes standard. This was achieved predominantly through:
- Energy efficiency measures.
 - Replacing outmoded domestic facilities.
 - Minor renovation works.
 - Addressing category one risks under the Health & Housing Safety Rating System.
- 1.3 There were also works to Houses in Multiple Occupation to safeguard the living conditions of tenants, and some authorities elected to promote the returning of empty homes to use. A number of authorities also called on the funding for related issues such as disabled adaptations, security, fire and sanctuary initiatives. CLG has indicated it is sympathetic to this type of support for disabled facilities grant.
- 1.4 In total the programme reported:
- 3,172 homes improved through energy efficiency measures (with over £1m more spent where the number of cases was not reported).
 - 1,747 Decent Homes improvements (with over £1.5m more spent where the number of cases was not recorded).
 - 739 Minor works carried out.
 - 84 landlord properties improved.
 - 261 Empty properties returned to use.

2. Financial Outturn

- 2.1 Most local authorities received substantially more for this year than at any time previously. It was not uncommon for the grant to represent a 300 percent increase; in one authority it acted as a catalyst to action in a year when no action (nor resource) had been planned.
- 2.2 The size of the increased resource caused many new activities to happen in local authorities across the region. These included the design of new initiatives; the tackling of new areas of need; design of new ways of promoting and marketing services; creation of new systems for processing applications; training of staff brought in to assist with the anticipated volume of work. It caused elected members to review with a new focus, and in a new light, the issue of private sector unfitness in their locality.

- 2.3 The lead time required to bring the enlarged programmes to life became significant in several authorities. This meant that at the half year stage about half of the recipients reported noticeable but predicted delays in delivery to that point.
- 2.4 It is pleasing to report that most authorities performed to target and made full use of the funding; £15.6m (78%) of the grant was spent. Works applied for and approved within the financial year are counted as forming part of the year's expenditure irrespective of whether delivery occurs later.
- 2.5 Although seven programmes spent less than their full allocation (representing 22% of the total) only two - Dover and Swale, both with large allocations - experienced significant challenges in spending. All have supplied details of their plans for 2007-8 to fully spend in line with their priorities and objectives. Discussions with the two authorities with significant under-performance have been positive and performance to date suggests a strong improvement.
- 2.6 The outputs of the 2006-8 programme will be reported in full after July 2008. The 2006-8 programme, which may be viewed as a transitional arrangement, will give way to a different, forward-looking approach - discussed earlier at Item 6 - that concentrates in detail on evidence of need, innovation and targeted delivery plans with clear objectives and outcomes.
- 2.7 The 2006-8 programme is therefore both a forerunner and distant cousin of the proposed 2008-11 programme. The new ways of working - through new partnership, shared experience, mentoring, new products, tight targets and rigorous half-yearly financial reporting - is designed to enable the Board and the Government to deliver a step change in private sector improvement.

**Steve Kethero, Regional Private Sector Renewal Manager
Government Office for the South East**

20 November 2007

Contact: Tel: 01483 882301
Email: steve.kethero@gose.gsi.gov.uk