

## REPORT TO THE EXECUTIVE



DATE	24 <sup>th</sup> June 2008
PORTFOLIO	Regeneration and Economic Development
REPORT AUTHOR	Michael Wellock and Paul Gatrell
TEL NO	4771 and 2470
EMAIL	<a href="mailto:mwellock@burnley.gov.uk">mwellock@burnley.gov.uk</a> <a href="mailto:pgatrell@burnley.gov.uk">pgatrell@burnley.gov.uk</a>

## Burnley Housing Investment Programme 2008/09

## PURPOSE

1. To seek Executive approval to the Burnley Housing Investment Programme 2008/09, funded from Elevate and Housing Capital grants, and to recommend to Full Council that this programme is included within the Council's budget.

## RECOMMENDATION

2. That the Burnley Housing Investment Programme 2008/09 be approved as set out in paragraphs 10 and 11, also outlined in Appendix 1.
3. That Executive recommends to Full Council a budget be established for the Burnley Housing Investment Programme 2008/09 totalling £18,466,633
4. That the Executive is asked to approve the release of all budgets associated with the Housing Investment Programme 2008/09

## REASONS FOR RECOMMENDATION

5. To allow the continued delivery of the Burnley Housing Investment Programme.

## SUMMARY OF KEY POINTS

## BURNLEY HOUSING INVESTMENT PROGRAMME 2008/09

6. The Burnley Housing Investment Programme will allow the Council to continue to deliver its commitments in the Community Strategy of renewing housing markets and improving quality of life in the inner parts of the Borough. This programme is funded from two primary sources:
  - Elevate
  - Housing Capital Grants

In 2008/09 these two funding sources create a total housing investment programme of just

under £18.5 million. The overall envelope for 2008/09 is broadly similar to 2007/08.

A report seeking approval to spend at risk on housing projects was presented to the 1<sup>st</sup> of April Executive meeting, this report now seeks final approval for the 2008/09 housing investment programme following the receipt of formal confirmation for these two grants.

## **ELEVATE 2008/09**

7. The overall Elevate East Lancashire allocation for 2008-2009 is £52 million. The Elevate Board has approved individual district allocations – for 2008/09 Burnley’s allocation is £14,546,800. The Board has also approved Burnley’s acquisition and clearance project at £10,659,026. Elevate are in the process of issuing formal offer letters for the remaining projects.
8. A funding agreement is now in place between Communities and Local Government (CLG) and the local authorities.
9. The Elevate Board approved budget of £14,546,800 is positive news for Burnley in the context of the overall allocation and allows the Council to continue with its successful Elevate funded housing market renewal work. This represents an uplift on the Elevate resources from 2007/08 but this increased resource level on the Elevate funded part of the Housing Investment Programme is more than offset by a loss of Housing Capital Grant (See paragraph 11). In the next year this will see the following Elevate funded outputs:
  - 215 properties improved through facelifting;
  - 6 empty properties acquired and completely refurbished and modernised under the Vacant Property Initiative;
  - 146 acquisitions and 92 demolitions to tackle the issue of empty properties and redevelop land for new homes;
  - Continued support for residents through neighbourhood management and associated projects.

Since the 1<sup>st</sup> of April Executive a further capital sum of £148,800 has been allocated to Burnley. Discussions with Elevate are still taking place on the basis that this funding is split between BUR105 and BUR109, to allow further acquisitions to be made, and small capital projects to be implemented under the neighbourhood management project.

10. This Elevate funding will support the following elements of the Housing Investment Programme in Burnley:

<b>REFERENCE</b>	<b>PROJECT</b>	<b>BUDGET</b>
BUR101	Vacant Property Initiative	£330,000
BUR105	Acquisitions and clearance	£10,659,026
BUR108	Area Action Plans	£170,000
BUR109	Neighbourhood management	£347,000
BUR111	Facelifting	£2,161,000
	Staffing	£730,974
	Unallocated capital	£148,800
	<b>Total</b>	<b>£14,546,800</b>

## HOUSING CAPITAL GRANT 2008/2009

11. In early December the Government announced the Regional split of the Single Housing Pot and despite strong lobbying to protect the Local Authority Housing Capital Grant allocations the North West region's recommendations were overturned. The Local Authority element of the Single Housing Pot is now reduced from £127m in 2007/08 to £92m for 2008/09. The Government's thinking behind this decision is that more funding will be allocated to the Housing Corporations National Affordable Housing Programme to deliver greater numbers of affordable housing units to meet increased national targets.

In 2007/08 Burnley received £2,979,000 Housing Capital Grant and for 2008/09 have been allocated £2,200,000. Add to this allocation a carried forward amount of £174,731 from 2007/08 and the total housing capital grant available in 2008/09 is £2,374,731.

In addition to housing capital grant, in 2008/09 Burnley will also receive,

- £634,000 Specified Capital Grant for disabled adaptations.
- £900,000 recycled capital receipts from the sale of vacant property. *(This figure is an assumption based on the properties that are expected to be available to the council to sell during 2008/09)*
- £11,102 Energy Innovation Fund received as a third party contribution from a utility company

This Housing Capital Grant funding will support the following elements of the Housing Investment Programme in Burnley: *(table overleaf)*

<b>PROJECT</b>	<b>DESCRIPTION</b>	<b>HOUSING CAPITAL GRANT</b>
Disabled Facilities Grant (DFG)	Mandatory grants to provide adapted homes to meet identified needs.	£550,000 £634,000* <i>*(Specified Capital Grant)</i>
Clearance Programme	Purchase and site clearance activity	£587,850
Vacant Acquisitions	Brings long term empty properties back into use through acquisition, refurbishment and subsequent sale	£94,731 £900,000* <i>*(Assumed recycled capital receipts)</i>
Switch onto Savings	Energy efficiency – insulation	£116,000
Lead Developer Team	Supports Lead Developer activity in regeneration areas	£212,650
Facelifting	Facelifting properties in the regeneration areas	£126,000
Accreditation Grants	Supports landlord accreditation, properties meet Decent Homes Standard with matched investment by landlord	£30,000
Housing Stock Condition Survey	Sample survey being organised through Elevate. Requirement to update every five years	£50,000
Home Repairs Assistance Grant (HRA)	Provides loans to owner occupiers aged 60 and over throughout Burnley	£400,000
Affordable Housing Contribution	Will assist the delivery of a range of affordable housing types in South West Burnley phase 1 development	£200,000
Energy Innovation Fund	Provides funding for discount solar water heating scheme and community renewables project	£11,102
Contribution to IT implementation	Will fund the data transfer from existing data base to new IT system FLARE	£7,500
<b>TOTAL</b>		<b>£3,919,833</b>

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

- The Burnley Housing Investment Programme 2008/2009 will be funded from Elevate,
12. Housing Capital Grants and recycled capital receipts. The Elevate Board has approved an allocation for Burnley of £14.4 million for this financial year. The funding agreement with CLG is in place. Government Office have also confirmed Burnley will receive £2,200,000 of Housing Capital Grant and £643,000 of Specified Capital Grant. The figure for recycled capital receipts is an assumption based on the value of the properties that are expected to be available to the Council for sale in 2008/09. The entire programme is set out in the

table at Appendix 1.

## **POLICY IMPLICATIONS**

13. The Burnley Housing Investment Programme will allow the Council to continue to meet its commitments in the Community Strategy and Area Action Plans of improving housing markets and housing conditions in inner Burnley and Padiham.

## **DETAILS OF CONSULTATION**

14. None.

## **BACKGROUND PAPERS**

15. Elevate Programme 2008-2009 – held by Elevate Co-ordinator

## **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Michael Wellock, 4771**

**ALSO:**

**Paul Gatrell, 2470**

[Appx 1](#)

The amended paragraph 10 detailed below was circulated at the meeting on 24<sup>th</sup> June

## **REPORT TO EXECUTIVE – UPDATED ELEVATE FUNDING TABLE ( See para 10 in original report)**

The following table incorporates budget revisions to the Elevate fund. These result from recent discussions during the project appraisal process with Elevate East Lancashire. The table also incorporates the request made to Elevate East Lancashire to use the unallocated capital for further property acquisitions as part of BUR105.

<b>REFERENCE</b>	<b>PROJECT</b>	<b>BUDGET</b>
BUR101	Vacant Property Initiative	£325,000
BUR105	Acquisitions and clearance	£10,818,260
BUR108	Area Action Plans	£170,000
BUR109	Neighbourhood management	£347,064
BUR111	Facelifting	£2,058,000
	Staffing	£828,476
	Unallocated capital	£148,800
	<b>Total</b>	<b>£14,546,800</b>