

## Environment & Economy Overview & Scrutiny Committee

<b>Date of Meeting</b>	Tuesday, 18 April 2023
<b>Report Subject</b>	Housing regeneration grants and loans policy
<b>Cabinet Member</b>	Cabinet Member for Economic Development and Countryside
<b>Report Author</b>	Chief Officer (Planning, Environment and Economy)
<b>Type of Report</b>	Operational.

### **EXECUTIVE SUMMARY**

The Housing Regeneration team role has shifted over the years since its creation as funding has become more focussed on carbon reduction in housing and less on wider measures to improve housing conditions in the private sector.

This report provides an update on the work of the team, sets out a series of recommended priorities for the team to focus on in the future, and proposes that the now outdated Private Sector Grants and Loans Policy is replaced with a simple schedule of grants and loans available to householders in Flintshire.

### **RECOMMENDATIONS**

1	That the update on the work of the Housing Regeneration team is noted and that the future priorities for the service are supported.
2	That the grants and loans schedule is noted and that the process for amendment is supported with delegated authority given to the Cabinet Member for Economic Development and Countryside and the Chief Officer (Planning, Environment and Economy) to vary the schedule as funding availability or requirements change.

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE HOUSING REGENERATION GRANTS AND LOANS POLICY</b>
	<b>Background</b>
1.01	The Housing Regeneration service has been in existence for many years, originally located within the Housing Directorate but eventually moving to the Planning, Environment and Economy Portfolio.
1.02	The service was created to improve the condition of housing in the private sector, to improve the energy efficiency of housing in all tenures, and to administer grants for housing improvement.
1.03	Considerable programmes of improvement to private sector housing took place in the years since the publication of the last policy, largely funded by Welsh Government, and Flintshire was successful in securing resources to improve energy efficiency of homes and to modernise old properties through the Group Repair Programme. This included fitting external insulation, replacing windows, doors and roofs, and other “enveloping” works. However, the majority of these programmes have ceased operating and resources for housing regeneration are now limited to Welsh Government funded loans for improvement works, delivered by local government across Wales, for example the Owner Occupier Loan product which funds property renovation.
1.04	The majority of the work of the service is now focussed on improving the energy efficiency of housing in Flintshire to reduce carbon emissions and to contribute to reducing fuel poverty. The service does not receive any Council core funding to support staff costs or deliver services other than a small capital allocation to deliver housing regeneration improvements. The service supports itself through service level agreements with clients (for example the Housing Revenue Account) and through external funding.
1.05	The team currently delivers the following services: <ul style="list-style-type: none"> <li>• Delivery of the Welsh Government funded housing loans programme which includes a number of interest free loan products to improve private sector housing conditions.</li> <li>• Delivering energy efficiency improvements to the Council’s housing stock including modern gas boilers, air source heat pumps, solar panels, insulation and other energy efficiency measures.</li> <li>• Providing a responsive management service to maintain and replace heating equipment in the Council’s housing stock.</li> <li>• Securing external funding to support vulnerable households to improve the energy efficiency of their homes – in all tenures.</li> <li>• Providing energy efficiency advice and referring households to a broad range of other agencies for support.</li> <li>• Providing a crisis fund to provide emergency support to vulnerable households that are not eligible for any other funding.</li> <li>• Managing the ECO4 checks on behalf of OFGEM which allows contractors to access funding to install energy efficiency measures</li> </ul>

	<p>in private homes. The service is delivered in both Flintshire and Denbighshire.</p> <p>The team takes a very person-centred approach to delivering services. Officers spend time with customers to fully understand their household situation in order to recommend the best energy efficiency solutions and to be able to effectively refer them to wider agencies for support. Many customers, due to age and/or vulnerability, are very reluctant to receive support and this approach builds trust and enables them to receive the (sometimes lifesaving) support they need.</p>
1.06	<p>During 2022/2023 the service has provided support to 1,293 households.</p> <p>To better illustrate the work of the service, case studies are provided below:</p> <ol style="list-style-type: none"> <li>1. Customer A identified as vulnerable following breakdown of personal relationship and health issues. There was no working heating at the property which also required some further renovation. Following an initial enquiry, a home visit was arranged to help them to get a connection to the gas network. Due to the urgency of the situation a temporary liquid petroleum gas boiler was installed while we waited for the gas connection. Following the gas connection, the team arranged for a gas meter to be installed at the property and the fuel switch was then completed just in time for Christmas. The customer was extremely grateful to have a warm home in time for the holidays.</li> <li>2. Customer B approached the team due to having no working heating. The customer was identified as extremely vulnerable due to age and serious health conditions which were exacerbated by the cold. The customer had no excess income or savings to fund the boiler replacement. After a telephone triage it was established that customer was spending 19% of his income on energy, putting an extreme strain on his finances and mental health as well as his physical wellbeing. The team was able to secure a survey and quote to the customer within days of the initial enquiry being received. As a result of the new boiler installed at the property his energy costs reduced to 7.88% of his income.</li> <li>3. Mrs X had replacement windows and doors in 2022 through a housing loan. She had been unable to open her windows for fresh air or to get out of in case of emergency, which made Mrs X feel like she had been “released from prison!” when the new windows and doors were installed. Mrs X was “absolutely delighted” and said that they “look brilliant!” She can “already feel the house is warmer” which is an additional benefit to her given increasing energy prices.</li> <li>4. Mrs Y has said “We applied for the loan as our existing bedroom was mouldy, cold and damp was causing my husband’s severe health conditions to worsen. The whole application was relatively easy to apply for and our point of contact, Flintshire Council staff (Jill) were really helpful and friendly throughout the whole process... We had the cold/damp/mouldy room demolished and a new</li> </ol>

	extension was built, this has since been turned into our lounge and it is so warm, comfortable, safe and secure. It has been a great way of being able to improve our home and my husband's health."
	<b>Grants and loans policy</b>
1.07	The Council policy on private sector housing improvement was last published in 2010. The purpose of the policy was to steer Council private sector home improvement programmes and determine the priorities for action. In addition to setting out a policy framework for housing renewal and regeneration, it also set out a detailed schedule of grants and loans to be offered by the Council to householders to improve their properties, many of which were externally funded.
1.08	The policy is now significantly out of date. This creates two issues for the Council: <ul style="list-style-type: none"> <li>1) Council officers do not have a clear policy framework to operate within when they are issuing grants and loans; and</li> <li>2) Interested parties are not able to easily view the grants and loans that the Council is able to offer.</li> </ul>
1.09	The last private sector stock condition survey was undertaken in 2016 and found that 12.2% of properties in the County had Category 1 hazards present (those with the greatest potential to cause harm to the occupants) which was a similar level of failure as the national picture. Hazards were twice as likely to be present in the private rented sector as in owner-occupied homes. Excess cold was the main source of failure.
1.10	Fuel poverty is expected to be at an extremely high level due to a combination of rising energy prices, static wages and the country's large stock of relatively energy-inefficient homes. An estimate by the Child Poverty Action Group in August 2022 showed that 60.8% of Welsh households would be in fuel poverty by January 2023 with larger households, retired people and lone parents at particular risk.
1.11	There is little likelihood that significant resources will be available in the future for private sector housing improvement and that the service will remain predominantly focused on domestic energy efficiency. This simpler and smaller range of services does not, it is suggested, require its own policy in the future.
1.12	Any programmes of funding that are available tend to have their criteria set by the funder and the Council delivers the resources to householders in accordance with these criteria. Any external funding available also tends to change regularly. It is therefore suggested that a simple and flexible schedule of grants and loans is used in the future, published on the Council website for clarity, and with changes approved as needed under delegated authority by the Chief Officer and Cabinet Member.
	<b>Priorities for the Housing Regeneration service</b>
1.13	It is proposed that the future priorities for the service are as follows:

	<ul style="list-style-type: none"> <li>To work with the Housing and Carbon Reduction teams to reduce carbon emissions from the Council's housing stock and reduce the risk of fuel poverty for tenants.</li> <li>To provide energy efficiency advice to any household that requests it and refer households on to other support agencies as needed.</li> <li>To access external funding to provide energy efficiency measures and wider housing improvements to any households that are a) vulnerable; b) on low incomes and/or c) at risk of fuel poverty.</li> <li>To provide energy efficiency installation and management services to other organisations on a full cost recovery basis.</li> <li>To provide a small-scale crisis fund grant to the most vulnerable households who have no other funding options available to them (when available funding allows).</li> </ul>
1.15	The current schedule of grants and loans issued by the service is attached as Appendix 1. The majority of the criteria and requirements are set by Welsh Government and passported by the Council on to applicants. The schedule is subject to change whenever resource available changes, whenever funders change their rules or as new funds become available.
1.16	It is therefore proposed that the schedule is a fluid document that can be amended as needed. It is suggested that delegated authority to approve amendments is given to the Cabinet Member for Economic Development and Countryside and the Chief Officer (Planning, Environment and Economy) and that the current version of the schedule is made available on the Council web site.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None arising directly from this report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>						
3.01	<b>Ways of Working (Sustainable Development) Principles Impact</b>						
	<table border="1"> <tr> <td>Long-term</td> <td rowspan="5">This report recommends a formalisation of existing arrangements rather than new provision.</td> </tr> <tr> <td>Prevention</td> </tr> <tr> <td>Integration</td> </tr> <tr> <td>Collaboration</td> </tr> <tr> <td>Involvement</td> </tr> </table>	Long-term	This report recommends a formalisation of existing arrangements rather than new provision.	Prevention	Integration	Collaboration	Involvement
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Prevention							
Integration							
Collaboration							
Involvement							
	<b>Well-being Goals Impact</b>						
	Prosperous Wales	Although the work of the service helps to reduce poverty, the report recommends a formalisation of existing provision rather than new provision.					
	Resilient Wales	No impact.					

	Healthier Wales	Although there is a clear link between housing condition and good health, which the work of the service promotes, the report recommends a formalisation of existing provision rather than new provision.
	More equal Wales	Although the work of the service targets support to the most vulnerable households, the report recommends a formalisation of existing provision rather than new provision.
	Cohesive Wales	No impact.
	Vibrant Wales	No impact.
	Globally responsible Wales	Although the work of the service reduces carbon emissions from housing in the County, the report recommends a formalisation of existing provision rather than new provision.
	<p>Risk management</p> <p>There are no new identified risks emerging from this report. Rather, the report ensures that the Council offers grants and loans in a more transparent manner, reducing the risk that householders will miss out on support.</p>	

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Schedule of grants and loans

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Niall Waller (Enterprise and Regeneration Manager)  <b>Telephone:</b> 01352 702137  <b>E-mail:</b> niall.waller@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
	<p>ECO4 – the latest scheme from OFGEM which places an obligation on energy suppliers to help low income, fuel poor and vulnerable households to heat their homes.</p> <p>Fuel poverty – defined by Welsh Government as spending more than 10% of their income (after housing costs) on energy. More than 20% is classed as severe fuel poverty.</p> <p>OFGEM – Office of Gas and Electricity Markets which is the energy regulator for Great Britain.</p>