

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

5 JULY 2007

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION/KEY DECISION

Housing and Community Safety – Lead Cabinet Member – Councillor Nelson

SINGLE HOUSING INVESTMENT POT (SHIP) – PRIORITIES FOR FUNDING 2008/9 TO 2011/12.

Summary

To update Members on the revised process for bidding for Single Housing Investment Pot (SHIP) funding for the period 2008/9 to 2011/12 and identify the key objective areas and priority projects for which funding will be sought.

2. Recommendations

1. Members note the revised guidance issued by the North East Housing Board for the allocation of SHIP resources for the three-year period 2008/9 to 2011/12.
2. Members endorse the priority objectives and project proposals that SHIP funding will be sought for the period 2008/09 to 2011/12 (Appendix A and B).
3. Given the limited timescales between the North East Housing Board issuing guidance to the sub-regions on what should be in their detailed funding proposals (guidance anticipated early July 2007) and the deadline for the sub-regions to submit their sub-regional housing strategies and costed action plans, it is recommended that delegated authority be given to the Corporate Director of Development and Neighbourhood Services in consultation with the Cabinet Member for Housing and Community Safety to sign-off the finalised Sub-Regional Housing Strategy and costed Action Plan.
4. Members acknowledge the anticipated financial implications of SHIP funding as detailed within the body of the report.

3. Reasons for the Recommendations/Decision(s)

To secure appropriate funding to ensure the provision of quality, appropriate accommodation in sustainable neighbourhoods for all residents of the Borough regardless of tenure.

4. Members Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (paragraph 10 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held, whilst the matter is being considered; not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting, and if their interest is prejudicial, they must also leave the meeting room during consideration of the relevant item.

AGENDA NO

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SUMMARY

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RECOMMENDATIONS

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DETAIL

Background

1. The Single Housing Investment Pot (SHIP) brings together previous funding streams allocated to local authorities and housing associations. SHIP is administered by the North East Housing Board (which is part of the North East Assembly). The role of the North East Housing Board (NEHB) is to make sure that housing policies blend better with other plans and strategies in the North East region. Its main work is to produce the Regional Housing Strategy, which advises Government ministers on where funding from the SHIP is best allocated.
2. The process of allocating resources via SHIP was first introduced for the period 2004/5 to 2005/6 (SHIP Round 1).

3. SHIP monies are critical to both LAs and Housing Associations in our region. For example capital resources previously allocated to LAs to assist the vulnerable in the private sector (including assistance to owner occupiers to improve property conditions and to assist the older and vulnerable via Disabled Facilities Grants) must now be competitively 'bid' for against the 23 LAs in our region.
4. The process of allocating SHIP monies has changed significantly over recent years. For example in the previous rounds of SHIP 'safety net' allocations were maintained ensuring some consistency in funding for LAs. However this 'safety net' has incrementally reduced between SHIP rounds 1 to 3, for example:

SHIP Round 1 (2004/5 – 2006/7)	<ul style="list-style-type: none"> ▪ Safety net funding maintained for: <ol style="list-style-type: none"> a. Public Sector Decent Homes commitment for ALMOs and retention authorities. b. Disabled Facilities Grants. ▪ Private Sector Renewal Assistance. ▪ Limited bidding – in Round 1 LAs were only required to bid against 1 criteria 'Rejuvenate the Housing Stock/Housing Market Failure'.
SHIP Round 2 (2006/7 – 2007/8)	<ul style="list-style-type: none"> ▪ Safety net funding maintained for: <ol style="list-style-type: none"> a. Public Sector Decent Homes commitment for ALMOs and retention authorities. b. Disabled Facilities Grants. ▪ Safety net removed for Private Sector Housing Activity – to secure funding Local Authorities were required to bid for resources to continue to assist vulnerable owner occupiers maintaining and improving their homes. ▪ Introduction of 'sub regional bidding' – LA were required to bid on a sub-regional basis for funds allocated under 'Rejuvenate the Housing Stock/Housing Market Failure'.
SHIP Round 3 (2008/9 – 2011/12)	<ul style="list-style-type: none"> ▪ Safety net funding maintained for: <ol style="list-style-type: none"> a. Public Sector Decent Homes commitment for ALMOs and retention authorities only. ▪ Introduction of a 3-year funding period.

SHIP Round 3 – the process to be adopted

5. The key difference between SHIP 1 and SHIP 2 funding rounds was the move away from a traditional formulaic method of allocation of funding ('safety net' monies) to one which aligned funding directly to the objectives of the Regional Housing Strategy and the priority objectives detailed within it. The 4 objectives are:

- Objective 1 **Rejuvenating the housing stock**
- Objective 2 **Providing quality and choice**
- Objective 3 **Improvement and maintenance of existing housing**
- Objective 4 **Meeting specific community and social needs**

6. The NEHB has confirmed it wishes to strengthen the link between evidence-based strategies and the allocation of SHIP resources by moving from the formulaic to a

commissioning approach. Therefore for the first time each of the 4 sub-regions will be required to submit a Sub-Regional Housing Strategy and a costed Action Plan which clearly identifies the priorities of each sub-region and the evidence upon which these are based.

7. For SHIP Round 3 we have been clearly advised that with the exception of the 'safety net' funding for ALMOs and stock retention LAs, no individual LA bids will be considered. The total SHIP 3 fund is not yet known and is unlikely to be until after the next Comprehensive Spending Review (anticipated Autumn 2007).

Progress to date

8. Timescales for the completion of the above Sub Regional Action Plan and costed Action Plan are tight, final guidance is not anticipated from the NEHB until July 2007 and the deadline for each of the sub-regions to submit is the end of July 2007. Given these timescales the 5 Tees Valley LAs have been working with Tees Valley Living to ensure that we are in a position to submit within the proposed timetable.
9. Tees Valley was the first of the sub regions to work collaboratively to develop a Sub Regional Housing Strategy (published in 2006). This Strategy was developed to mirror the 4 objectives of the Regional Housing Strategy, as all four objectives were pertinent to the sub-region. However we must now move this forward with the development of an evidence based and costed Action Plan.
10. A series of meetings have been held with appropriate stakeholders to develop the Action Plan, administration of this process has been undertaken by Tees Valley Living and managed by the 'Heads of Housing Group' of which each Local Authority is represented.
11. Attached at Appendix A is the narrative Action Plan (including costings) while Appendix B provides a summary of the funds sought over the 3-year period. The costs of the Action Plan have been worked up taking into account:
 - o Existing commitments (for example private sector renewal and housing market renewal activity);
 - o Delivering our priority agendas (i.e. homelessness prevention, ensuring decent homes in the private sector and promoting independence for vulnerable households);
 - o Responding to new and emerging local priorities (i.e. affordability and securing access to the housing market); and
 - o Ensuring we respond positively to key Government agendas (such as Respect, Sustainable Communities, Climate Change etc).

Stockton has been instrumental in the development of the costed Action Plan.

12. All of the Tees Valley Authorities have signed up to the priority projects and indicative funding splits as detailed in Appendix A and B.

Implications for Stockton

13. As an Authority (both independently and in a sub-regional partnership), Stockton has a successful track record in securing SHIP monies. For example in Round 2 we secured:

	Disabled Facilities Grants	Housing Market Renewal	Private Sector Decent Homes
2006/07	£226,000	£1,721,000	£935,000
2007/08	£226,000*	£1,105,000*	£965,000*

*Due to reductions in SHIP 2 for the year 2007/08 allocations were subsequently reduced by 8% for each project in the north each region.

14. Members will note that Appendix A and B clearly indicates that we are seeking to secure substantially more monies through SHIP 3.

15. Based on the current timetable it is not anticipated that the outcome of SHIP Round 3 will be known until early 2008.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

It should be noted that a number of the Housing Services 'core' activities (specifically the Urban Renewal Division and the provision of DFGs) are funded through current SHIP Round 2 allocations, as is the Housing Market Renewal Activity within Parkfield. Whilst we are confident as a sub-region that further resources will be secured there is a risk that should we not be successful 'core' activities will need to be downsized and the current programme of acquisition and demolition in Parkfield considerably slowed down.

On this basis the issues of reduced funding have been highlighted in the Medium Term Financial Plan.

Legal

None specifically to this report.

COMMUNITY STRATEGY IMPLICATIONS

Securing SHIP resources will directly contribute to the following Community Strategy Improvement Themes and priority objectives: -

Liveability

- Improving housing quality and choice
- Improving the condition of public sector housing
- Improve housing and support for vulnerable and older people

Healthier Communities and Adults

- Promote the independence of vulnerable older people and adults.

Community Safety

- A number of the projects identified within Appendix A/B will contribute to reducing both actual and the fear of crime and disorder.

RISK ASSESSMENT

Securing SHIP resources is categorised as a medium risk. Identified risks will be managed through existing management systems and daily routine activities, with lead responsibility assigned to the Head of Housing.

CONSULTATION, INCLUDING WARD COUNCILLORS

Consultation has taken place with a number of stakeholders to develop the costed Action Plan.

Once the outcome of SHIP Round 3 is known and we are aware which of our proposed projects has been successful (and the level of monies attracted) consultation will then take place with appropriate ward members on project delivery.

Corporate Director of Development & Neighbourhood Services

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Background Papers

Sustainable Communities: Homes for All (ODPM)

Regional Housing Strategy: North East Homes, North East views (a consultation paper on updating the North East Housing Strategy 2007)

Tees Valley Sub Regional Housing Strategy (2006)

Education Related Item?

No

Ward(s) and Ward Councillors:

All