

CABINET

Performance Reward Grant Funding 9th October 2012

Report of the Head of Community Engagement

PURPOSE OF REPORT			
To seek approval of members for amendments to the allocation of the Performance Reward Grant funding previously allocated towards the Warm Homes Scheme.			
Key Decision	<input checked="" type="checkbox"/>	Non-Key Decision	Referral from Cabinet Member
Date Included in Forward Plan	September 2012		
This report is public			

RECOMMENDATIONS OF COUNCILLOR EILEEN BLAMIRE

- (1) That Cabinet considers the options outlined in this report for the use of £96,521.00 available capital related Performance Reward Grant.
- (2) That any PRG funds allocated to the Affordable Warmth Improvement Programme are specifically used to support measures to reduce the level of excess deaths and avoid hospital admissions that are due to vulnerable people living in cold housing conditions.
- (2) That subject to Cabinet's support for the Affordable Warmth Improvement Programme, the Home Improvement Agency (HIA) within Health and Housing be the delivery agent
- (3) That the authority to approve any further amendments specific to the Affordable Warmth Improvement Programme is delegated to the Leader of the council, ensuring that the council's responsibilities for PRG are met.
- (4) That the General Fund Capital Programme be updated accordingly
- (5) That the Head of Health and Housing be authorised to apply for any suitable external funding to support the delivery of affordable warmth related activities, subject to a fit with corporate priorities and Financial Services confirming that there be no additional call on the City Council's finances.

1.0 Introduction

- 1.1 Following a Cabinet meeting of the 26th July 2011, the Lancaster District Local Strategic Partnership (LDLSP) was allocated a share of the Performance Reward Grant (PRG) received from central government for the successful

delivery of the first Local Area Agreement (LAA) for Lancashire. The LDLSP Management Group created a Warm Homes Project which used £100,000 of capital PRG and £5000 of revenue PRG to attract matched CERT (Carbon Emissions Reduction Trading) funding from utility companies. This gave the LDLSP a fund to provide grants for insulating homes in the Lancaster District, reducing fuel poverty, excess winter deaths and CO₂ emissions.

- 1.2 The delivery partner chosen for this activity was the not-for-profit managing agent Tadea and on 9th September 2011, the Warm Homes Project commenced with an anticipated end date of 31st December 2012. During this period, a Service Level Agreement (SLA) between Lancaster City Council and Tadea requested that “at least 2000 residents must receive significant virgin loft insulation, loft top-up insulation and/or cavity wall insulation work by the end of the Initiative”.
- 1.3 However, since the commencement of the scheme, a large number of providers have begun to provide free loft insulation and cavity wall insulation to all customers regardless of their compliance with CERT Requirements. This has changed the circumstances in which the scheme was operating and has presented increased opportunities for residents of the Lancaster District to insulate their properties at no charge.
- 1.4 The prevalence of free insulation schemes has created an opportunity for the council to use PRG funding to provide additional services which add value to those currently available to residents of the Lancaster District for which there is limited provision. The remaining amount of PRG funding available is £96,521.00 and, as it is not time-limited, can be carried forward into future years without issue.
- 1.5 The Cabinet meeting of 26th July 2011 supported the recommendation that “approval for...amendments to [the Warm Homes initiative], is delegated to the Leader of the Council, as the City Council’s representative on the LDLSP Management Group”. However, due to the size of funds available, members are asked to provide approval for a revision to the allocation of the PRG funds.

2.0 Proposal Details

- 2.1 To address the health related impacts associated with cold homes, the Warm Homes project initiated by the LDLSP had the overarching aim to “provide grants for insulating homes in the Lancaster district, reducing fuel poverty, excess winter deaths and CO₂ emissions”.
- 2.2 In light of these changes, an alternative delivery method is proposed which addresses the shortfall in existing provisions for vulnerable residents of the Lancaster District.

a) Evidence for scheme

- 2.3 The health effects of living in cold homes have been highlighted by many recent reports. Cold homes lead to excess winter deaths, cardiovascular, respiratory and mental health problems [Marmot Review, 2011]. The excess winter mortality index figure (the measure of winter deaths compared with non-winter deaths) is high in Lancaster district; 19.3 compared to national average of 17 [North Lancs PCT, 2009 most recent figures available]. In

addition, the Lancashire Mental Health & Wellbeing Report [Joint Strategic Needs Assessment, 2011] identified that fuel poverty is increasing inequality in the county. Wellbeing of older residents is particularly affected and the report recognises that services need to be improved to 'make fuel bills less pressing'.

- 2.4 Recent figures produced by Department of Energy and Climate Change (2010) demonstrate that 24% of homes (approximately 14,300 households) in the Lancaster district are in fuel poverty, having to spend more than 10% of their income on fuel bills. Surrounding areas have even higher rates – 28% of households in Pendle (15th highest in UK). Rising fuel prices are the No1 concern for people in Britain today [Which? June 2011] and financial worries have an impact on wellbeing. 48% of people in Morecambe and Heysham, (low incomes wards), said their homes are too costly to heat [LCC Housing Needs Survey 2011].

b) Affordable Warmth Improvement Programme

- 2.5 Although home insulation services are now more readily available, the factors which impact on the warmth efficiency of a home can only be effectively addressed through undertaking more wide ranging home improvements.
- 2.6 The PRG funding which is available is strictly for capital costs with any additional costs to be met by alternative means. However, this funding is not time-limited and can be carried forward into future years without issue. Therefore, to ensure effective delivery, an alternative scheme to the Warm Homes scheme must remain efficient and complement existing delivery arrangements.
- 2.7 The HIA currently work with vulnerable groups and have the capacity to use the PRG funding to deliver an Affordable Warmth Improvement Programme without any further revenue costs. This Programme is intended to complement the existing range of HIA services available to enable elderly or disabled residents to remain safe, warm and independent in their own homes.
- 2.8 The property improvements provided through the Programme will be considered appropriate for enhancing a vulnerable resident's home with the aim of improving affordable warmth, preventing fuel poverty and reducing the number of deaths that are due to vulnerable residents living in cold housing. Examples of improvements which could be delivered through the Programme include the provision of secondary glazing, electrical improvements to enable the installation of heating systems, or enhanced insulation. Further details concerning how the Affordable Warmth Improvement Programme will operate are available in Appendix 1.
- 2.9 The proposed Affordable Warmth Improvement Programme will have an eligibility criterion that will enable the HIA to deliver a service which is over and above schemes currently available thereby providing an additional level of assistance to vulnerable residents of the Lancaster District.

c) Future funding

- 2.10 Considering the increased importance of the affordable warmth agenda, it is likely that future opportunities for external funding will arise. To maximise the financial resources available to the Lancaster district, officers will seek to take

advantage of those opportunities which fit with corporate priorities.

3.0 Details of Consultation

- 3.1 Allocations of the PRG funding have been discussed at the meetings of the Lancaster District Performance Group, which was set up to oversee the remaining LDLSP projects during 2012-13 and they are keen to see the PRG funds used in a manner which meets the original objectives of the warm homes project.
- 3.2 In addition, there has been consultation via the Lancaster District Affordable Warmth Group with the partners working with vulnerable people in the district to understand current needs and develop potential solutions. The discussions held in this forum have contributed to the development of the proposals in this report.

4.0 Options and Options Analysis (including risk assessment)

	Option 1: The council directs PRG funding to the HIA to deliver a Affordable Warmth Improvement Programme which is supportive of the original aims of the Warm Homes scheme	Option 2: Take back the funds to address other priorities within the capital programme
Advantages	<ul style="list-style-type: none"> • Provides tangible benefits for vulnerable people • Contributes to the achievement of one of the Council's Corporate Priorities • Funds could be delivered as part of a capital programme through the HIA utilising their existing technical staff • The HIA have many years of experience delivering similar home improvement type grants utilising our directly employed handypersons and local approved contractors to carry improvements for vulnerable residents 	<ul style="list-style-type: none"> • The council will be able to redirect the funds to meet alternative objectives
Disadvantages	<ul style="list-style-type: none"> • Some officer time required to administer funds and monitor progress • Fund will be unavailable to support other initiatives 	<ul style="list-style-type: none"> • The council will have lost an opportunity to reduce mortality and help vulnerable groups increase their resilience to periods of cold weather • Council will have reduced capacity to achieve Health and Wellbeing success measures

Risks	<ul style="list-style-type: none"> • Project outcomes not delivered - low risk but could occur due to failure to reach relevant client groups • Mitigation: The HIA have an excellent track record of delivering similar schemes and have management arrangements in place to address any issues which may arise • Priorities may change dependent on need – Low risk but could change the type of assistance provided by the HIA • Mitigation: Delegated decision making to the Leader of the Council will allow for quick progress. 	<ul style="list-style-type: none"> • Dependent on the alternative use of the funds • The PRG funding has been provided to support a range of partnership initiatives. Partners in the district have been engaged in the process of identifying priorities and will have expectations for the use of the funds
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5.0 Officer Preferred Option (and comments)

5.1 The officer preferred option is Option 1 as this delivers the original objectives of the funding and supports Health and Wellbeing Outcomes and Success Measures in the council's Corporate Plan.

6.0 Conclusion

6.1 The council can demonstrate its strong commitment to health and wellbeing in the Lancaster district by directing the available PRG funding towards the proposed Affordable Warmth Improvement Programme. This will enable the HIA to offer support to vulnerable residents which is not available elsewhere. However, these initiatives are complex and amendments to the plans will certainly be required – by delegating authority to the Leader to approve those decisions Cabinet will ensure that approval is given in a timely manner

6.2 Through identifying and applying for additional external funding where opportunities may arise, Cabinet will be able to continue to add value to affordable warmth related activities operating in the district.

RELATIONSHIP TO POLICY FRAMEWORK

Health and Wellbeing is one of the key priorities within the Corporate Plan 2012-15 including "continuing work to improve the quality and availability of housing". In particular, two of the Plan's outcomes are to "enhanced quality of life of local residents through access to good quality housing" and "health and wellbeing improved and mortality rates reduced for vulnerable people in the district". Furthermore, the Corporate Plan includes a success measure of the "number of vulnerable individuals benefiting from Warm Homes initiatives". The provision of a Affordable Warmth Improvement Programme will allow Lancaster City Council to achieve these outcomes and deliver the success measure.

Affordable Warmth is also being considered as a priority in the emerging county wide Health and well being strategy being developed by the Shadow Health and well being Board and is also being targeted for intervention by our local clinical commissioning group.

CONCLUSION OF IMPACT ASSESSMENT

(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The funding available will support the needs of the most vulnerable, improving services across the district including in rural areas.

LEGAL IMPLICATIONS

There are no direct legal implications arising as a result of this report other than in relation to the requirement associated with managing external funds. These requirements are fully addressed by the council's agreed arrangements.

FINANCIAL IMPLICATIONS

The proposal is to use the unallocated £96,521 PRG grant to fund an affordable warmth improvement project. As stated in the report, these funds are currently unallocated having previously been awarded to fund the warm homes initiative which has now ceased.

As the funding was provided for capital purposes it cannot be used to cover any revenue costs, therefore these will have to be met from existing resources. At this stage it is anticipated that there will only be some staff time required to administer the scheme, which will be met from existing service budgets.

The actual scheme itself can only cover improvement works in order to qualify as capital expenditure, therefore any basic repairs will be ineligible.

Should Cabinet approve this option, controls will be put in place to ensure appropriate accounting treatment.

Alternatively, Cabinet could approve option 2 and this would allow the funds to be used to progress other new or existing capital investment needs. Cabinet is aware that various schemes are on hold pending funding becoming available and it is in this context that they are advised to consider the proposal – it is a question of what is the highest priority.

OTHER RESOURCE IMPLICATIONS

Human Resources:

There are no direct implications arising as a result of this report other than some use of officer time to progress and manage the project

Information Services:

There are no direct implications arising as a result of this report

Property:

There are no direct implications arising as a result of this report

Open Spaces:

There are no direct implications arising as a result of this report

SECTION 151 OFFICER'S COMMENTS

The s151 Officer has been consulted and her comments included in the report.

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has been consulted and has no further comments

BACKGROUND PAPERS

Appendix 1: Overview of Affordable Warmth Improvement Programme

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