

Cabinet

12th March 2024

Name of Cabinet Member:

Cabinet Member for Housing and Communities – Councillor D Welsh

Director Approving Submission of the report:

Director of Adults and Housing

Ward(s) affected:

All

Title:

Social Housing Decency Funding

Is this a key decision?

No

Executive Summary:

Coventry City Council has been awarded £2.1m as a capital grant as a share of £15m being made available to the WMCA through a grant from DLUHC. The funding is being distributed to the seven Local Authorities to support the physical standards of social housing within the region. The funding is made available to Coventry City Council as a Section 31 Local Authority grant with the Council being responsible for allocating the funds to Registered Housing Providers in the city to tackle disrepair issues specifically with regards to damp and mould. The Council is not a Registered Housing Provider and therefore in order to discharge its obligations under the grant, will pass such funding (via a grant agreement) to Citizen Housing.

The Council's Constitution requires Cabinet approval prior to signature of a grant agreement where such grant is between £500,000 and £2,500,000. Where time does not allow this to happen approval can be sought by the relevant Director following consultation with the relevant Cabinet Member and Scrutiny Chair with a requirement to then report retrospectively to Cabinet. As time was not available to report in advance of signature for this grant, approval was gained by the Director of Adults and Housing, following consultation with the Cabinet Member for Housing and Communities and the Chair of the Housing and Communities Scrutiny Board (4). This report therefore acts as the retrospective report for the grant received and also seeks delegated authority to enter into a grant agreement with Citizen Housing in order to discharge the Council's obligations.

Recommendations:

Cabinet is recommended to:

- 1) Note the approval of the acceptance of the grant of £2.1m from the West Midlands Combined Authority (already received via the Constitutional mechanism set out in the Executive Summary above).
- 2) Delegate authority to the Director of Adults and Housing to enter into the necessary grant agreement with Citizen Housing to deliver upon the requirements of the grant funding.

List of Appendices included:

None

Background papers:

None

Other useful documents

None

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Social Housing Decency Fund

1. Background

- 1.1 On 25th of January 2023, the Secretary of State for Levelling Up, Housing and Communities announced that the Government were making £15M of new funding available for the West Midlands Combined Authority (WMCA) to support the improvement of physical standards of social housing within the region. It was announced that the funding was being made available as a Section 31 (S31) Local Authority grant.
- 1.2 The capital grant is available to support local authorities and Registered Social Housing Providers in the WMCA area for expenditure in relation to the physical decency of their social housing properties. The grant has a specific focus on serious issues such as category 1 hazards, including damp and mould.
- 1.3 Meetings were held with the WMCA and member local authorities to determine the level of allocation and this resulted in the recommendation that the grant be split equally between all seven member authorities. In October 2023, the WMCA confirmed that Coventry City Council would receive £2.1m funding to distribute to registered housing providers within the city as the funding is to improve social housing.
- 1.4 Registered Providers in Coventry were formally notified of their opportunity to apply for the funding in November 2023 and were encouraged to submit a bid in line with timescales provided by the WMCA.
- 1.5 Citizen Housing Group were the only Registered Provider to submit a bid for the funding and provided a detailed application which set out their intention to apply for the full £2.1m of available funding.
- 1.6 Following a selection process to ensure that the bid complied with the relevant grant conditions, Citizen have been awarded the full amount of the grant funding available for Coventry. This has been confirmed and supported by the WMCA and work has commenced, due to the fact that the funding must be allocated by 31st March 2024.
- 1.7 The works planned to be carried out by Citizen include improvement works to 1045 properties in Coventry which will benefit from the installation of mechanical ventilation systems and Switchee Home Monitoring technology to help combat issues relating to damp and mould and alleviate category 1 or 2 hazards from homes. These homes had previously been identified by Citizen as requiring improvements however were not included in the current work programme.
- 1.8 In addition to the above-mentioned works, Citizen will also be contributing funding which will cover remedial works and chemical treatments to up to 1045 properties that have been identified to undergo works as part of this programme. The exact number of properties that are improved as a result of this work will be reliant on any additional works/costs identified as part of the surveys undertaken.

- 1.9 Citizen Housing have provided an ambitious works schedule and project plan which demonstrates how they intend to complete works on all homes prior to the given deadline of 31st of March 2024. Although the grant delivery timescale is very short, Citizen were able to mobilise existing contractors who were working on similar projects to scale up delivery of works and ensure all works are delivered prior to the deadline. They have commenced work on over 500 properties and completed them on 149 by 27th February. They are confident they will have commenced work on all of the properties by the deadline date.
- 1.10 The overall project plan and works schedule is monitored by officers in the Housing & Homelessness service and fortnightly meetings have been convened to review progress and ensure delivery.
- 1.11 Although the original announcement stated that the funding would be paid direct to Local Authorities, this was changed to allow payment to be made direct to any Registered Providers who had been successful in securing funding through a council. However, as the monitoring requirements and liability for the money and the deliverables would remain with Coventry City Council following discussions with Legal Services it is now proposed to accept the funding as a S31 payment and for the Council to then distribute the funding to Citizen (thus retaining greater control for the Council).
- 1.12 A grant funding agreement was produced by the WMCA in January 2024 which has been agreed by both parties. Due to the fact that the funding was over £500,000 and below £2,500,000 Cabinet approval would usually be required prior to the signing of the grant agreement. The timescales of the programme have not allowed for formal Cabinet approval, so approval has been sought in line with the Constitution with Cabinet receiving this report retrospectively.

2 Recommended proposal

- 2.1 The value of the Social Housing Decency Fund is such that the Constitution requires formal approval by Cabinet prior to acceptance.
- 2.2 As time did not allow Cabinet approval in advance of signing the grant agreement, approval was sought from the Director of Adults and Housing, following consultation with the Cabinet Member for Housing and Communities and the Chair of Housing and Communities Scrutiny Board (4); with agreement for a retrospective report to be presented to Cabinet.

3 Results of consultation undertaken

- 3.1 Due to the timescales associated with this project, further consultation has not been possible.

4 Timetable for implementing this decision

- 4.1 The Social Housing Decency Funding agreement was received and agreed in January 2024. The deadline for spending funds is 31st of March 2024.

5 Comments from the Director of Finance and Resources and the Director of Law and Governance

5.1 Financial implications

The Social Housing Decency Fund Grant offer is valued at £2.1m for spend prior to 31st March 2024.

The Council will be paying Citizen a maximum of £2.05m, with £50k being retained by the City Council to meet the internal costs of delivering the programme requirements.

5.2 Legal implications

Section 1 of the Localism Act 2011 gives the Council a general power of competence and as such the Council has the power to receive grant funding and enter into a grant agreement.

Prior to entering into the grant agreement with West Midlands Combined Authority to accept the grant Legal Services provided advice on the terms of the grant and prior to entering into the grant agreement with Citizen Housing to administer the grant Legal Services will review and provide the necessary advice on the grant terms and conditions.

6 Other implications

6.1 How will this contribute to the One Coventry Plan?

<https://www.coventry.gov.uk/strategies-plans-policies/one-coventry-plan>

The Social Housing Decency Fund contributes towards the Council's plan of improving outcomes and tackling inequalities within our communities. The fund will be used specifically to improve standards of living for those who are resident in social homes in Coventry and this supports the Council's objective to address the needs of those on low incomes with affordable access to quality housing, heating, and insulation. The improvements will eliminate any current damp and mould issues in properties and will significantly reduce the potential of future damp and mould issues.

6.2 How is risk being managed?

The Housing and Homelessness Service will work closely with colleagues in Legal Services, Finance, and the West Midlands Combined Authority to manage and mitigate any risks associated with the project.

Citizen Housing will be responsible for periodic reporting back to the local authority and monitoring meetings have been put in place to review progress and the overall project plan.

Citizen will also be subject to quality assurance checks to ensure that works are completed in line with the funding agreement and will be required to evidence that works are completed prior to funds being released.

Citizen have provided assurance that the work programme is in progress and will be delivered in full within the required timeframes. A risk plan has also been developed to mitigate any risk to delivering the objectives of the programme, including utilising additional capacity with contractors if required.

If any elements of the programme cannot be delivered within required timeframes, there will be scope within funding agreement between Coventry City Council and Citizen to reclaim any unspent grant so that it can be repaid to the WMCA.

6.3 What is the impact on the organisation?

The grant provides additional funding to Citizen to improve the standards of social housing and alleviate hazards relating to damp and mould. The funding will have a positive impact on the standards of those homes within the city and improve living standards for the residents living in those homes.

6.4 Equality Impact Assessment (EIA)

The works within the programme will improve standards in social housing for those who are living in homes impacted by damp and mould related hazards. The work carried out will have a positive impact on the households who are living in properties that have been selected for improvement.

6.5 Implications for (or impact on) climate change and the environment

There are no implications.

6.6 Implications for partner organisations?

Citizen Housing will be required to carry out the works within the programme within the required timeframe. This will also have a positive impact on Citizen as they will be able to improve their existing housing stock through external funding.

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