

Appendix B

DH Backlog Funding
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Our Ref: LW/CS/
Your Ref:
Contact: Lesley Wearing
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Date: 6th December 2010

Dear Mr Dever

Re: Decent Homes Backlog Funding for Council Landlords 11-15

Northampton Borough Council is pleased that the Government and the HCA has recognised the financial difficulties of the Council, and others in a similar position, in respect of dealing with the Decent Homes backlog. As requested our comments mirror the specific section headings and paragraph numbers in the consultation document

(1.) HRA Reform

In order to properly identify the overall viability of the Council's HRA under the HRA reform proposals, the amount of funding available to the Council will have to be known. We therefore urge the HCA to consider this when finalising these proposals and we equally urge the CLG to consider this when calculating the proposed settlements under the HRA Reform.

(2.) Decent Homes Backlog

We accept that the HRA Business Plan Statistical Appendix is a good start for identifying the Decent Homes pressures. However what the statistics do not show is the stock condition profile. Northampton has a high level of current non-decency (as shown in Appendix A to the document), however that is only part of the overall picture. The Council's stock condition data shows that over the next few years, the Council has a high number of homes falling out of decency which is in addition to those declared as currently non-decent. This therefore puts additional pressure on the Council's HRA in the short term. Whereas the financing available within the HRA reform may be enough to maintain decency over the long term in normal circumstances, the Council is concerned that this peak of expenditure required over the next few years should be taken into account in assessing bids for the backlog funding. We note that newly arising non-decency for 2011/12 is planned to be taken into account but this therefore ignores pressures if a significant amount of non-decency arises after that year. If this peak of expenditure is not taken into account, this could seriously affect the viability of Northampton's HRA into the future.

(2.5) Disabled Adaptations

We are pleased that the need for the funding for disabled housing adaptations to be included in the HRA reform settlement has been accepted, however we are still concerned that there are a number of expenditure types such as lifts; common parts and estate improvements do not appear to have been taken into account in any funding stream. Northampton urges the HCA and the Government to ensure that funding for all expenditure incurred by the HRA can be afforded within the proposals being put forward.

(4.) Criteria for funding

Northampton notes the requirement to fund 10% of the non-decent homes outside of this funding. This 10% funding must therefore be taken into account by CLG in assessing the level of debt that councils must take on within the HRA reform calculations to ensure that the HRA remains viable.

We are pleased that the HCA recognises that it is not simply the number of homes that need to be brought into decency, but also the amount of work that is required to be undertaken on those homes that must be considered when assessing value for money.

Northampton Borough Council expects that it will be one of the Councils prioritised for funding in 2011/12. The Council has undertaken a procurement exercise to let a major contract for delivery of repairs to its housing stock. In anticipation of being successful in bidding for decent homes backlog funding, the council intends to include a scheme within its capital programme for 2011/12 which will be financed through this backlog funding.

(5.3) The Council has a large number of dwellings that are of non-traditional construction and is pleased to note that the HCA recognises this and will allow funding requests for these properties.

(7.) The Authority is currently considering the Green Deal proposals and would seek to realise efficiencies combining energy and decency works wherever possible.

Northampton Borough Council welcomes the proposals within the consultation document. The Council does have concerns over the apparent uncertainty of funding levels for individual councils which will have an impact on the viability of HRAs following the HRA Reform. We are anticipating submitting a bid for Decent Homes backlog funding in 2011/12 and for subsequent years and are looking forward to entering into dialogue with the HCA to discuss how best to match the objectives of the Council and the objectives of the HCA and the Decent Homes backlog funding.

Yours sincerely



Lesley Wearing
Director of Housing