

DRAFT HOUSING RENEWAL GRANT POLICY 2007 - 2010



DEVELOPMENT & REGENERATION



ASSISTANCE FOR PRIVATE SECTOR HOUSING

This document sets out Chorley Council's proposals for the next three years in respect of discretionary and mandatory grants to assist vulnerable households to maintain, adapt and improve their homes. It contains detailed guidance for officers on the delivery of financial assistance in the form of grants for the repair, improvement and adaptation of private sector housing.

Roger Bailey
Strategic Housing Manager
Civic Offices
Union Street
Chorley
PR7 1AL

Date: October 2006

1. Executive Summary

- 1.1 The Regulatory Reform Order 2003 removed the previous prescriptive grant system and allows local authorities to replace it with locally set criteria. It is now the Council's responsibility to determine the type and extent of any assistance given; to set the qualifying criteria, conditions, availability and other issues and when necessary adjust policy to reflect changes in housing needs. The only exception to this is the Disabled Facilities Grant, which is still mandatory and controlled by the terms of the provisions contained in the Housing Grants, Construction and Regeneration Act 1996 and subsequent revisions.
- 1.2 The legislation governing the current grant assistance and wider housing renewal policies was withdrawn on the 18 July 2003 and the Council initially implemented an interim grant policy. This policy allowed the Council to continue to process and approve grants whilst continuing its assessment of the feasibility of the introduction of a Home Improvement Agency and for the private sector stock condition survey to be carried out, its results assessed and where appropriate taken into account in the development of this policy.
- 1.3 The interim grant policy came into force on the 18 July 2003 and was subject to a review and amendment on 1 April 2004.
- 1.4 This new policy statement reflects the conclusions of the stock condition survey carried out in 2004; the priorities identified under the Unfitness, Housing Health & Safety Rating System; the Decent Homes criteria; the findings of the government's English House Condition Survey published in September 2006; the establishment of a Home Improvement Agency as a delivery mechanism and experience gained over the last three years.
- 1.5 The Council has the power to provide grants, loans, advice, and materials or if necessary to carry out works directly in order to repair, improve, convert or adapt residential accommodation. In order to facilitate this the Council may set its own grant rates, conditions and other criteria.
- 1.6 In previous policies help was provided through Home Repair Assistance grants for the repair and improvement of properties and to improve energy efficiency; the Handy-Person scheme (run on the Council's behalf by Anchor Staying-Put) for very minor works, and assistance to landlords to bring long-term empty properties back into use. This latter function is now within the Streetscene, Neighbourhoods and Environment directorate.
- 1.7 A Home Improvement Agency (Anchor Staying Put – South Lancashire) has been established jointly with South Ribble Borough Council and the County Council to deliver the Council's private sector housing assistance with effect from May 2006. This approach has widened the scope of assistance available to Chorley residents by increasing the range of advice and services available as well as processing all grant assistance as described in this policy document.
- 1.8 The discretionary assistance that it is proposed to retain for the next three years are:
 - Home Repair Assistance – for essential repairs to properties for owners in vulnerable low-income groups.
 - Home Repair Assistance (Energy) - for energy efficiency improvements to properties for owners in vulnerable low income or at-risk groups.
 - Handy-Person assistance through Anchor Staying Put.
 - The statutorily directed Disabled Facilities Grant will complement the three discretionary grants above, limited to the statutory maximum of £25,000.

Together, these will provide comprehensive support to elderly or disabled residents living in private sector housing within the Borough.

2. Policy Context

Links to the Corporate Strategy, Housing Strategy and other policies

2.1 These detailed policies for grant assistance are an integral part of the Council's overall Housing Strategy and link directly with the corporate vision of making Chorley the place of choice to live, work and invest in the North West.

- We intend to facilitate providing safe, well maintained energy efficient homes, by providing targeted assistance.
- To provide a safety net system of assistance to elderly and vulnerable residents to ensure that the housing stock does not deteriorate.
- To enable disabled and elderly persons to remain living within their homes so as to reduce demand for specialist accommodation, sustain mixed communities and improve the quality of life of residents.

2.2 By investing strategically in the private housing stock we will foster safer communities by,

- Remediating disrepair
- Improving energy efficiency and affordable warmth
- Encouraging home safety
- Promoting private investment in both the privately owned and privately rented tenures
- Creating a culture of environmental sustainability

In achieving these aims the Council believes that it will improve the overall level of prosperity through,

- Joint public and private sector investment in the housing stock
- Providing new employment opportunities within the local construction industry and associated trades.

2.3 These policies for grant assistance are but one link in the chain needed to deliver all of these targets. However, it is anticipated that the Council will achieve a substantial improvement in energy efficiency and a reduction in the current levels of unfitness within the borough's private housing stock.

2.4 The policies are based on certain fundamental assumptions:

- That limited resources should be directed to assist those least able to carry out essential repairs and improvements themselves
- That priority should be given to households in the vulnerable and 'at risk' groups
- That many home-owners are able to finance works themselves but need access to advice and agency services in order to help implement them
- That maintenance of private sector dwellings is primarily the responsibility of their owners
- That enabling elderly or disabled people to remain in their own homes rather than transferring to specialist accommodation is inherently desirable on both social and economic grounds

3. Details of Grants Available

3.1 Housing Repairs Grant

It is intended to make this discretionary grant available for at least the next three years. The grant is available to vulnerable owner-occupied (or leasehold) households whose dwelling requires repairs of a substantial nature likely to affect the health and safety of the occupants. Two levels of grant are proposed dependant on the age of the applicant. For those under 60, the maximum grant is £5,000. For those aged over 60, the maximum grant is £8,000. The grant is not available to private tenants because other powers exist to compel landlords to keep properties in a reasonable state of repair.

A vulnerable household is defined as being one where the applicant is EITHER:

- Elderly (aged 60 or over); or
- A parent or legal guardian with a child aged 15 or under; or
- Disabled, as a person:
 - Whose sight, hearing or speech is substantially impaired;
 - Who has a mental disorder or impairment of any kind;
 - Who is physically, substantially disabled; and;
 - Is either registered or could be registered as disabled under either the National Assistance Act 1948 or Children Act 1989.

AND

Is in receipt of a relevant means tested benefit, which are Income Support, Council Tax Benefit, Housing Benefit, Pension Credit and Income Based Job Seekers Allowance or, on a low fixed income, which results in a contribution level of £0.00 based on the disabled facilities grant means test.

ALTERNATIVELY the applicant would qualify as vulnerable if they are 75 years of age or over (irrespective of income level).

The required work is 100% grant assisted up to the maximum grant of £5,000. No conditions are attached and there is no requirement to repay the grant if the property is subsequently sold. No restriction is imposed on the number of applications an owner-occupier may make for assistance on the same property. However the total assistance provided cannot exceed the age related £5,000 or £8,000 maximum limit over any 5-year period.

The grant is administered by the Home Improvement Agency acting on behalf of the Council so that applicants receive the added benefit of welfare advice from the Agency caseworker. The most common types of repair achieved with this grant are repairs to roofs, re-pointing and electrical rewiring.

3.2 Housing Energy Grant

It is intended that this grant also will be available for at least the next three years. It is available to any owner-occupier aged over 60 and to disabled persons of any age who does not qualify for the government funded Warm Front grant. For disabled applicants and for persons aged 60 to 69 the grant is a 50% grant. For those aged 70 or over, it is a 100% grant. The maximum eligible expense is £2,500.

The grant covers cavity wall insulation, loft insulation, draught proofing and the provision of a hot water cylinder jacket. Whilst this is less comprehensive than the Warm Front grant, it will make a substantial contribution to reducing carbon emissions as well as substantially improving the quality of life for recipients.

The grant is administered by the Home Improvement Agency and delivered by an approved contractor – Quality Services Group.

Notes: 1) For the purposes of both grants above, the definition of dwelling will continue to include houseboats and mobile homes used as a person's main residence.

2) These grants are available to owner-occupiers and to tenants with a full repairing lease. They are not available to landlords or to tenants whose landlord is the person primarily responsible for repairs.

3.3 Handyperson Scheme

This scheme provides elderly or disabled owner-occupiers and tenants with the ability to get small repairs done. These might include fixing loose carpets, adjusting a sticking window or door, hanging curtains or similar minor works. A charge of £10 is made to the applicant for the service. The service is delivered by the Home Improvement Agency and is supported by an annual grant from Chorley Council.

3.4 Disabled Facilities Grant

Under current grant legislation these are the only mandatory grant remaining. Qualifying criteria for them is determined nationally under the provisions contained in the Housing Grants, Construction and Regeneration Act 1996 and subsequent revisions. These statutory provisions also include a means test.

These grants are given to adapt the home of a disabled person to meet their needs. The type and extent of work involved is normally determined by an Occupational Therapist appointed by Lancashire County Council's Social Services department. The grant is subject to a means test of the disabled applicant's ability to pay, this determines their level of contribution. The test is set nationally not locally. The grant is the difference between the applicants calculated contribution and the cost of the approved works, subject to the mandatory limit of £25,000.

Although the statutory maximum for this grant is £25,000, it is possible for the Council to give a discretionary element in excess of this figure, although such an element would not attract government subsidy. It has not been past practice of the Council to give such a discretionary increase and no such increase is proposed in this policy statement i.e. the grant will remain at the maximum statutory figure of £25,000.

The applicant must provide a certificate of occupancy with their application but the legislation does not contain any conditions of repayment should the property be sold or the disabled person ceases to occupy it.

Since May of 2006 the Council has used the Home Improvement Agency to deliver these grants on its behalf. A fee is payable to the Agency and this is included in the eligible expense calculation for the grant. The use of the Agency gives a significant extra service to applicants in that they also get access to a caseworker who can address other benefits on their behalf.

These grants are available to owner-occupiers and private tenants. Housing Associations are expected to fund these works themselves on behalf of tenants, but arrangements are in place for these grants to be used where demand exceeds the funds available to the housing associations. Special arrangements have been made within the Transfer Agreement for Chorley Community Housing to fund these grants on ex-council properties.

4. Delivery Mechanism

Chorley Council has worked with South Ribble Borough Council and the Supporting People Unit of Lancashire County Council to jointly tender for a Home Improvement Agency covering both Borough areas. Anchor Staying Put are widely experienced in this type of

work and operate agencies in many parts of the country provides this service. Technical staff have been seconded to work at the agency and the 'client side' is based in the Development and Regeneration Department.

The primary advantage of using an Agency for delivery of these grants is the additional services that they bring to the client group. Part of the process is allocation of a caseworker to each client. The caseworker will tackle all aspects of welfare and benefits to ensure that the client is receiving all of the necessary support from all agencies. They are also skilled in supporting clients through the upset and mess of having building work carried out and can liaise with contractors as necessary to ensure that the work is carried out with the minimum of disturbance.

Regular reports will be made to Members on the performance of the Agency.

Appendix One

The Regulatory Reform (Housing Assistance) (England and Wales) Order

The Government introduced legislative changes in 2003 which required the Council as part of its wider Housing strategy to publish a policy for providing assistance to deal with poor conditions in private sector housing, both in terms of the policy tools available and the ability to work in partnership with others. It also provided a major opportunity for the Council to address deficiencies on a local basis within the existing legislation and further develop the strategy for tackling poverty and social exclusion, health inequalities and neighbourhood decline.

The Order:

- Introduced a new general power enabling local housing authorities to provide assistance for housing renewal.
- Replaced some sections within The Housing Grants Construction and Regeneration Act 1996 regarding Renovation grants; Common Parts Grants; Houses in Multiple Occupation Grants; Group Repair and Home Repair Assistance.
- Repealed the provisions in the Housing Act 1985 relating to loans given by local housing authorities for housing renewal (with the exception of local authorities that are not housing authorities).
- Streamlined the provisions governing the declaration and operation of Renewal Areas.
- Made minor changes to the provisions in relation to Disabled Facilities Grants.
- Allowed Councils to provide assistance for repair, improvement and adaptations of housing and also for the demolition of a dwelling and to help with rebuilding costs. Legislation on clearance areas and enforcement of fitness standards remains unchanged.

Further legislation contained in the Housing Act 2004 included alterations to means testing and other criteria relating to disabled adaptations for dependant children. The effect of these changes initially will increase both overall grant levels and also likely demand for adaptations for children. Future amendments to legislation at present still under consultation may reduce the overall financial impact on the Council by transferring the provision of certain types of adaptations (stair lifts and minor works) to Lancashire County Council Social Services however no definitive proposal or timescale has been suggested at the present time.

Appendix Two

Approved Budgets

A) Disabled Facilities Grants

Approved capital budget	2005/6 £300,000	2006/7 £350,000	2007/8 £350,000
-------------------------	--------------------	--------------------	--------------------

B) Home Repair Grants

Approved capital budget	2005/6 £145,000	2006/7 £100,000	2007/8 £100,000
-------------------------	--------------------	--------------------	--------------------

C) Energy Grants

Approved capital budget	2005/6 £125,000	2006/7 £100,000	2007/8 £100,000
-------------------------	--------------------	--------------------	--------------------

D Handyperson Service

Approved capital contribution	2005/6 £10,000	2006/7 £10,000	2007/8 £10,000
-------------------------------	-------------------	-------------------	-------------------

<u>Totals Over 3 Years</u>	£580,000	£560,000	£560,000
-----------------------------------	----------	----------	----------

Appendix Three

English House Condition Survey

This survey work was carried out in 2003 but not published by government until the summer of 2006. It gives only a regional analysis but this is still helpful in assessing the position in Chorley.

The survey contains the following information:

	<u>North West</u>	<u>England</u>
Proportion of private sector dwellings not meeting the Decent Homes standard	34%	31%
Private sector vulnerable households in non-decent homes	40%	37%
Average SAP rating of private sector dwellings	50.3	50
Dwellings with SAP rating less than 30	9.3%	9.8%
Dwellings with SAP rating greater than 70	9.0%	9.1%

Appendix Four

Chorley Private Sector Condition Survey

Based on the 2004 Private Sector Stock Condition Survey there are currently 1,698 unfit properties and 2,193 are in need of substantial repair within the borough. In addition a further 1,194 are empty and likely to be in need of improvement. By comparison if the Decent Homes criteria were applied to the borough the results suggest that almost 24% of the private sector stock would fail to meet this standard.

The total expenditure to bring these to an acceptable fitness standard (based on historic average grant levels) has been calculated at £34.2 million and under the Decent Homes standard the figure is £31.6 million. The overall effect of Council intervention on the unfitness level within the borough housing stock is going to be limited, however with the introduction of the Home Improvement Agency, increased options for private improvement works will provide a further boost to dealing with unfitness throughout the borough.

Local government intervention in the private sector housing stock has only contributed to the repair and improvement of a small proportion of the stock. The overall responsibility for maintaining private properties rests with the owner and the Council should only intervene where the private market fails to deliver. The levels of public assistance available are limited therefore it is essential that it be targeted at clearly identified areas.

It is acknowledged that the private sector housing stock is a major public asset. On this basis all assistance should be viewed as a form of investment to protect the stock for longer-term public benefit. Although owners may gain short-term benefits it is not the main reason why assistance is offered.

Excluding Disabled Facilities Grants all other types of assistance are discretionary. They have eligibility criteria but will ultimately be subject to the availability of funding. Budget provision for assistance will never be sufficient to meet more than a fraction of potential demand therefore sustaining future levels of funding are essential to the effectiveness of a renewal policy.

Increases in the capital value of homes in the borough have led to substantial levels of positive equity available to homeowners. Where appropriate, owners must be encouraged to utilise this source of funding to ensure their properties are improved and maintained in a fit condition. However it is recognised that there will be exceptions to this principle and therefore the Council must have a policy that allows for direct intervention and assistance where the market fails to deliver improvements.

The role of advice to householders on maintaining their property will be developed over the next three years through joint working with Anchor and South Ribble Borough Council to produce leaflets and other promotional material.

Appendix Five

Appeals about decisions and application of policy

1. The Strategic Housing Manger will treat appeals about refusals of enquiries or applications for assistance relating to this policy on an individual case basis.
2. Appeals must be submitted in writing and include the specific grounds on which the appeal is based. They must be sent to the:
Strategic Housing Manager, Chorley Council, Civic Offices, Union Street, Chorley PR7 1AL
3. Appeals will only be considered on the following grounds:
 - That the Council's policy has not been applied correctly in the specific case, or
 - That the case is an exception and merits consideration under the councils exceptional cases procedure.
4. Appeals will not be considered on the grounds that the appellant disagrees with the policy. However the Strategic Housing Manager will consider any written comments and complaints about the published policy.
5. A written response will be issued in answer to all appeals submitted. If a case merits further consideration it will be submitted to the Director of Development & Regeneration along with recommendations and options where appropriate. The Director of Development & Regeneration, in consultation with an Executive Member, may then authorise assistance as an exception to the general policy.