

CABINET – 21ST JANUARY 2010

Report of the Director of Housing and Health

ITEM 6 REVIEW OF PRIVATE SECTOR HOUSING ASSISTANCE POLICY

Purpose of the Report

This report proposes revisions to the Council's Private Sector Housing Assistance Policy by recommending increases to the maximum grant limits for Home Repair Assistance Grants and Partnership Grants and introducing conditions of Nomination Rights and Lettings Agreements linked to the value of the grant in respect of Partnership Grants.

Recommendations

1. That the maximum grant threshold for Home Repair Assistance (Wind Weatherproof and Safe) Grants be increased from £2,500 to £4,500.
2. That the maximum grant threshold for Home Repair Assistance (Essential Services) Grants be increased from £2,000 to £4,000.
3. That the maximum grant threshold for Partnership Grants be increased from £10,000 to £15,000.
4. That the conditions in table I to this report of nomination rights and lettings agreements linked to the value of the Partnership Grant awarded are approved.
5. That the Director of Housing and Health in consultation with the Cabinet Lead Member for Housing and Health be given delegated authority to increase maximum grant thresholds for Home Repair Assistance Grants and Partnership Grants subject to budget availability, and the Constitution be amended accordingly.

Reasons

- 1-3 To align the grant thresholds with the market prices of the qualifying works.
4. To introduce revised conditions in response to consultation to improve the take up of these grants thereby increasing the number of empty properties made decent and brought back into use.
5. To enable thresholds to be amended expeditiously in line with market prices in the future.

Policy Context

The Private Sector Housing Assistance Policy supports the Council's Corporate Plan commitment for Decent Homes by focussing discretionary grant aid to vulnerable occupiers to achieve the decent homes standard in private sector properties, and

encouraging owners of empty homes to make them decent and bring them back into use (the latter being an issue that was identified in the recent CAA inspection and which will be included in the CAA Housing Improvement Action Plan currently being drafted).

Background

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 empowers local authorities that have adopted, for the purpose of improving living conditions in their area, a policy in respect of housing assistance to provide, directly or indirectly, assistance to any person for the purpose of enabling them-

- To acquire living accommodation
- To adapt or improve living accommodation
- To repair living accommodation
- To demolish buildings comprising or including living accommodation
- Where buildings comprising or including living accommodation have been demolished, to construct buildings that comprise or include replacement living accommodation.

Assistance may be unconditional or subject to conditions.

The Private Sector Housing Assistance Policy was introduced in 2004 and last reviewed by Cabinet at its meeting of 22nd March 2007 (min 190). The Policy covers a wide range of grant assistance including Disabled Facilities Grants, Renovation Grants, Home Repair Assistance Grants, Partnership Grants, Decent Homes Grants and Home Safety Grants.

Home Repair Assistance Grants

Home Repair Assistance Grants are available to assist low income applicants (either house owners or qualifying private sector tenants) to carry out specific essential work to their home. Successive grants under the same category are not allowed within 5 years (regardless of the value of the grant paid).

It has been identified that in an increasing number of cases, the current maximum grant threshold is below the level of the cost of the works required. Home Repair Assistance Grants allow for essential works in cases where the works required are substantially less than those undertaken through a renovation grant or a decent home grant, or where the applicant cannot cope with the upheaval of a larger grant scheme. Examples of specific works are roof repair/replacement or electrical work required to make the applicant's living conditions comfortable and safe.

The original maximum grant thresholds for Home Repair Assistance were established in the Private Sector Housing Assistance Policy in January 2004 (min 223). Wind Weatherproof and Safe Grants currently have a maximum threshold of £2,500, which is no longer sufficient in cases where a complete re-roof is required

(average cost £4,000 – £4,500). Similarly, Home Repair Assistance (Essential Services) Grants, which are awarded for example in cases where a complete rewire is required, have a maximum threshold of £2,000, although rewiring costs, on average, range from £3,000 - £3,725. For these reasons, it is proposed that the maximum grant thresholds in these cases are increased to £4,500 and £4,000 respectively.

So far, in the current financial year 15 Home Repair Assistance Grants have been approved, of which 10 have been completed and paid with a total expenditure of £13,000.

Partnership Grants

The return to use of empty dwellings through voluntary interventions is encouraged in government guidance and is preferred to enforcement (which is to be used only where voluntary approaches have been exhausted). This was the rationale for introducing the Partnership Grant to the Council's Private Sector Housing Assistance Policy in 2007, offering a financial incentive to owners of empty properties to bring them back into use, in exchange for nomination rights.

The Partnership Grant currently requires that the empty property is brought up to the decent homes standard and the Council secures a five year nomination rights agreement with the owner (relieving pressure on the Council's housing waiting list and its use of temporary accommodation) This is a 50% grant towards the cost of the required works (up to a maximum of £10,000).

Upon completion of the grant, an applicant must repay the full grant if the dwelling is not let, or available for letting, for five years following completion of the works. Dwellings are subject to a fair rent assessment.

Since the introduction of the grant, there has been limited take up. To date, one grant has been approved, one case is at the stage where the applicant is obtaining quotations on the schedule of work produced and two cases are at the enquiry stage.

A survey of other local authorities both within and outside Leicestershire was conducted to establish cases of good practice/successful schemes. Of those that responded, 1 offered no landlord/ empty property grants, 3 offered Decent Homes Grants to long term empty property owners with varying success and occupation/letting agreements of 5 years and the remaining 3 offered landlord/empty property grants similar to the Partnership Grant.

The most similar to our existing scheme in terms of conditions and grant offered (50%) was the Lincoln City scheme, although they had had no applications to date. Harborough also offered a similar scheme and had a little more success with 5 grants approved. However, Westminster, again with a similar scheme, had received 40 applications and approved 20 grants. The main difference between Charnwood's Partnership Grant and that offered by Westminster is the grant maximum threshold (£17,000 in the case of Westminster) and the nomination rights period, which is only 2 years within a 5 year letting period.

Following on from this survey the Private Housing Team undertook a consultation exercise with 483 long term (3 year +) empty home owners to establish what changes could be made to the Partnership Grant conditions to make the grant more

appealing, thereby increasing take up and bringing more empty homes back into use. Of the 105 responses (where answers had been given to the questions relating to the proposed changes) 15% stated that changes to the nomination rights/lettings agreements would lead to them reconsidering the option of a Partnership Grant.

Table 1 below illustrates the proposed new grant threshold and nomination rights/lettings conditions proposed in recommendations 3 and 4 of this report.

Table 1–Proposed Partnership Grant Threshold and Nomination Rights and Letting Conditions

Value of Partnership Grant Awarded	Nomination Rights Period (years)	Available for private renting (years)	Total number of years property available for letting
Up to £5000	0	2*	2
£5,001 - £10,000	2	1*	3
£10,001 - £15,000	3	2*	5

*If the property is not let for a period of 6 months during this time, then the nomination rights period would re/commence.

This proposed structure will give more flexibility to the owner, as they are able to select the amount of grant accepted in exchange for the optimum number of years they would like to rent out the property. For example, if the total cost of the works covered is £22,000, the maximum grant available would be £11,000. However, the owner may choose to receive a grant of only £10,000 (paying the additional £1,000 themselves) in exchange for a reduction in the term of the letting period required, from 5 years to 3 years.

Financial Implications

There is adequate provision in the Private Sector Renewal budget (from which discretionary Home Repair Assistance Grants are funded) and the Regional Housing Pot budget (from which Partnership Grants are funded) to deliver the proposed changes. There are also measures available to regulate approvals for these discretionary grants to control expenditure if necessary.

Risk Management

Risk Identified	Likelihood	Impact	Risk Management Actions Planned
The risk that low income households do not proceed with essential repairs due to the shortfall in grant maximum thresholds identified.	M	M	Continue to keep Policy under review and fit for purpose.
The risk that voluntary approaches to the re-use of empty dwellings have little or no impact on the number of long term empty homes brought back into use.	M	M	Continue to keep Policy under review and fit for purpose.

Key Decision: No

Background Papers: Private Sector Housing Assistance Policy
April 2004 (as amended June 06, March 07)

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