



ENFORCEMENT AND ASSISTANCE ON HOUSING RENEWAL

A revised policy framework for enforcement of housing standards and for providing housing financial assistance (grants and loans) to repair, improve and adapt private sector housing.

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1. SUMMARY

This section summarises the Council's approach to private sector housing renewal and a new policy for enforcement and providing financial assistance in the form of grants and loans for the repair and improvement of private sector housing.

- 1.1 The Housing Act 1985 (as amended) requires local authorities to review housing conditions and needs and then develop solutions.
- 1.2 In 1996 Wigan Council carried out a detailed study of housing conditions in the private sector (owner occupiers, private rented and registered social landlords) from which a new strategy and house renovation grant policy were introduced following consultation.
- 1.3 This research was repeated in 2000 and this revealed the housing stock of just under 100,000 dwellings and over the four year period:
 - homes unfit to live in had reduced from 8% to 5%,
 - empty homes had reduced from 5% to 3%, and
 - homes with poor energy efficiency had reduced from 58% to 26%.
- 1.4 Part of this success has come from the Council's Private Sector Housing Strategy and House Renovation Grant Policy which targeted resources at the most serious problems revealed by the surveys – concentrations of poor housing, unfit homes occupied by the most vulnerable and empty homes.
- 1.5 In 2002 legislation was introduced by the Government which gave local authorities a much greater flexibility in devising housing strategies and policies, in particular the provision of financial assistance to home owners.
- 1.6 Early in 2003 Wigan Council reviewed its approach to housing in the light of this new legislation and government guidance. The new legal framework enables the Council to provide housing financial assistance to any tenure. However, based on sound research we know the worst conditions exist in the private sector and Council housing is now benefiting from substantial ALMO resources and Registered Social Landlords are relatively well-resourced. The Council concluded that its new policy framework should reflect its current Private Sector Housing Strategy 2001 to 2007 since:
 - it had only recently been produced (2001) following extensive research, consultation and a fundamental Best Value Review;

- the strategy includes a clear aim, objectives and three themes which link well to other Government and Council policy frameworks (eg Neighbourhood Renewal);
- the strategy and its delivery has been assessed by both the Housing Best Value Inspectorate and the Government Office for the North West with feedback such as “excellent” and “exemplary”; and
- performance monitoring indicates the Council is on course to achieve its objectives.

1.7 However, the Best Value review in 2001 also concluded that public capital expenditure on private sector housing renewal of around £4 million could not on its own address the estimated £48.5 million needed to tackle unfitness and the most urgent repairs. Owners needed to take more responsibility for maintaining their own homes.

1.8 The new legislation – The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 - now gives Wigan Council the opportunity to develop a new framework for providing housing assistance for home owners to improve or repair living accommodation.

1.9 A wide range of options are now available from a blanket “no assistance” to one based on the current policy of providing renovation grants only. A range of policy options were considered and their relative strength and weaknesses are summarised below:

POLICY OPTION	IMPLICATIONS	STRENGTHS	WEAKNESSES
1. A blanket “no assistance” policy – no grants or loans.	<ul style="list-style-type: none"> • Government would consider that an authority was failing in its duty as a housing enabler. • Vulnerable households would remain in unfit housing. • Risk of market collapse in areas of pre-1919 housing. Bottom quartile performance on Best Value Performance Indicators.	<ul style="list-style-type: none"> • With “single capital” pot resources could be used elsewhere eg improving roads or leisure facilities. 	<ul style="list-style-type: none"> • Loss of revenue support subsidy for activity. • Unfit housing remains – impact on health of occupiers. • Risk of market collapse leading to more expensive alternatives eg slum clearance. Detrimental impact on next Comprehensive Performance Assessment.
2. Assistance targeted at only one or two issues.	<ul style="list-style-type: none"> • Implications as above. • Crucially, the current balance between the big themes of areas, vulnerable people and empty homes is lost leaving an unbalanced strategy. These elements interlink and are mutually reinforcing (eg empty homes are tackled in Renewal Areas, failure to do so undermines local market). 	<ul style="list-style-type: none"> • Strength, as above. 	<ul style="list-style-type: none"> • Weaknesses as above.
3. Grants only assistance	<ul style="list-style-type: none"> • Would ensure Council achieves its strategy and objectives but possibly slower than could be achieved with owners also investing. • Loose longer-term potential of recycling loans repaid back into housing renewal – which should lead in time to a reduced call on the Council’s capital resources. 	<ul style="list-style-type: none"> • Current policy has worked well evidenced by significant outcomes and outputs on key issues of unfitness and empty homes. • Simple to implement – can just reproduce existing forms and processes. • More acceptable to home owners. 	<ul style="list-style-type: none"> • As implications but crucially fails to make the link that owners must take responsibility for their own homes and release equity where possible.

POLICY OPTION	IMPLICATIONS	STRENGTHS	WEAKNESSES
4. Loans only assistance	<ul style="list-style-type: none"> • Council unlikely to achieve its strategy and objectives. • Owners unlikely to take out loans only <ul style="list-style-type: none"> - Partly because some will have low equity - Others will not be attracted to spend on their housing. - Most vulnerable on low income will suffer the most – they are least able to raise loans and meet repayments. 	<ul style="list-style-type: none"> • System would be simpler to administer. • Potential for any loans repaid to be recycled back into housing renewal. 	<ul style="list-style-type: none"> • As implications but also likely to have to cut services and staff losing what is evidenced as an Excellent Service. • Detrimental impact on Best Value performance indicators and next Comprehensive Performance Assessment.
5. Combination of Grants and Loans targeted at the priorities set out in the Council's private sector housing strategy (eg Renewal Areas and vulnerable households).	<ul style="list-style-type: none"> • Could achieve Council's strategy and objectives faster than a grants only policy. • Longer-term potential for recycling loans repaid back into housing renewal. • Provides support to most vulnerable on low incomes. 	<ul style="list-style-type: none"> • As implications plus - • Releases equity and makes the link with owners being responsible for maintaining their own home. • Grant offers the carrot of attracting owners into the scheme of releasing equity. 	<ul style="list-style-type: none"> • New framework, no guarantee of uptake so potential to damage impact of strategy, Best Value Performance indicators and CPA. • Needs major changes to existing policy and procedures. • Loan administration will be resource intensive and delay processing of applications.

1.10 The Council considers a blanket “no assistance” policy would mean that the most vulnerable would continue to live in homes which were damp or dangerous. We also know from experiences elsewhere in the north of England that left alone some areas spiral into decline with costly impacts. The policy could also be challenged in a court of law and the likely outcome would be the Council losing and facing hefty compensation and legal costs.

1.11 The policy adopted by the Council in May 2003 and set out in this document provides financial assistance which –

- encourages home owners and landlords to maintain and invest in their own property, and
- targets public funds at the most vulnerable housing living in the worst housing conditions and weak housing markets.

1.12 The main thrust of the Council's policy is to encourage home-owners to invest in improving the physical structure of their property thus protecting their asset (and its value) in the longer-term. The policy represents a fundamental change away from solely providing a house renovation grant to a framework largely based on a combination of grant and low cost loan including a subsidy to encourage the uptake of the loan.

1.13 In developing this framework account was been taken of housing conditions, housing needs, local house prices and house price trends, in particular some of the relatively low value of pre-1919 terraced stock at which much of the Council's strategy and policy is targeted. The Council is particularly mindful of the relatively low levels of equity which limit the availability of equity release schemes. Accordingly, the Council's approach involves providing low cost simple capital appreciation repayable loans repayable on sale of a home. The financial assistance offered has due regard to a person's ability to contribute and the equity available in their property. In certain specified circumstances the Council will provide solely grant aid but this will be subject to a means test.

1.14 The policy framework for providing housing financial assistance is summarised in box 1.

Figure 1: Summary of the revised policy for providing Housing Assistance

- The policy framework for providing Housing Financial Assistance reflects the existing successful approach which targets the most vulnerable low income households living in unfit homes, people with disability, Clearance and Renewal Areas, empty homes and home security measures.
- Housing Financial Assistance will not normally be provided to landlords (private or social rented) for flats over shops, energy conservation, conversions/extensions and houses in multiple occupation. Landlords and tenants would also not be eligible for Home Fitness Assistance but consideration will be given to the other forms of financial assistance *subject to Landlords being members of an accreditation scheme recognised by the Council.*
- The approach to mandatory Disabled Facility Grants and Slum Clearance are mandatory legal frameworks and no policy changes are proposed at this stage.
- The seven main forms of financial Housing Assistance are:
 - Home Fitness Assistance targeted at unfit dwellings occupied by specified vulnerable low income owner occupied households subject to a £6,000 maximum. In additional top up loan normally up to £4000 may be made available in exceptional cases.
 - Hospital discharge assistance targeted at specified vulnerable low income owner-occupiers living in unfit dwellings needing urgent repairs, a one-off £2,000 grant assistance.
 - Renewal Area Assistance (“face-lift” schemes) for improving externally blocks of properties in Renewal Areas. The maximum assistance will be £9,000 in the form of a combined grant and loan on a ratio of 90% grant, 10% loan.
 - Empty Homes Assistance for bringing empty homes into use subject to a maximum of £10,000 grant and £10,000 loan per property (restricted to the successful bidder under the Empty Homes Challenge Fund).
 - Discretionary Disabled Facility “top up” loans in certain cases where the costs of essential works on a mandatory Disabled Facility Grant exceeds the statutory maximum (currently £25,000) subject to a maximum loan of £10,000 (or £20,000 in exceptional cases).
 - Disabled Persons assistance to compliment the Mandatory Disabled Facility Grant which gives the Council a range of options to meet essential needs whilst making the best use of public resources. Access to the assistance is restricted to cases determined by the Council. The assistance includes:
 - home loss and disturbance payments to encourage tenants of social housing to move from adapted homes (up to £4,000 grant);
 - gap funding grants of up to £25,000 to registered social landlords to carry out essential works on dwellings they have acquired or released to assist in exceptional cases;

- Disabled Persons Relocation Assistance for exceptional cases and where alternative housing is not available, relocation assistance may be available subject to a maximum of £10,000 (or £20,000 on appeal) usually in the form of a loan.
- Market Renewal Assistance in areas identified by the Council where assistance is appropriate and if need be, additional to the compensation payable for the acquisition of homes in slum clearance areas. Typically, in concentrations of low demand sub-standard pre-1919 terraces for assisting in land assembly and retaining communities in a neighbourhood. Assistance is means tested and is in the form of a grant or loan up to £12,000.
- The Housing Assistance for Home Fitness and Empty Homes Assistance will normally be a combined grant/loan on the ratios of:
 - 90/10 for owner occupiers inside Renewal Areas
 - 75/25 for owner occupiers outside Renewal Areas
 - 50/50 for Empty Homes Challenge Fund and private landlords.
- All assistance is means tested except for Hospital Discharge Assistance, Renewal Area Assistance (ie “face-lifts”) have loss and disturbance assistance (to release adapted houses) and Empty Homes Assistance.
- In cases of owner occupiers in hardship living in low equity properties a means tested grant of up to 100% will be available as an alternative to the 75/25 combined grant/loan.
- Simple capital appreciation loans will be offered by the Council. These will be secured on the title of the property. The loan will be a simple low interest loan where the loan plus interest will be repaid on sale or disposal of the property (along with the grant if sale or disposal is within 5 years of completion of works).
- Procedures and processes include a rapid assessment of initial enquiries and minimising the risk of fraud.
- Conditions will be attached to all financial assistance including a contract to require owners to repay grants where breach of condition occurs, only using registered builders, the requirement to improve energy efficiency and the recovery of the financial assistance where a breach of conditions occurs.
- Successive applications will not normally be considered.
- Mechanisms are continued which deal with requests to waive or reduce repayment of assistance and grievances/appeals.

1.15 The Council’s policy also includes providing either directly or in partnership advice, guidance and/or discounts on home maintenance, home security, energy conservation and in Renewal Areas (or Housing Action Zones) environmental improvements.

1.16 The fitness enforcement policy was revised in the light of The Regulatory Reform Order. This makes transparent that where a person remedies unfitness using the Council’s Housing Financial Assistance framework then enforcement action will not normally result.

1.17 The fitness enforcement policy will continue:

- to be fair, open and consistent, complying with the Council's Enforcement Policy, and
- to charge up to £300 for recovering certain expenses in taking enforcement action.

1.18 The policy framework is designed to be met from within existing resources and, over time, provide for repaid loans to be recycled into housing renewal.

2. WIGAN BOROUGH – HOUSING AND PRIVATE SECTOR HOUSING, THE PROBLEMS AND THE COUNCIL’S STRATEGIES

This section sets out the Borough’s private sector housing problems and then the solutions

- the past strategy (from 1996 to 2002), and
- the current strategy (2002 to 2007).

- 2.1 There are about 127,000 dwellings in the Borough, of which just under 100,000 are privately owned and the remainder are Council properties. Of the private rented stock most are owner-occupied (92%) the remainder are privately rented (6%) and registered social landlord rented (2%).
- 2.2 Local authorities are under a legal duty to regularly review all housing needs and housing conditions and to develop appropriate interventions. The Council undertakes systematic research into housing conditions and needs across all sectors. This research (which included the year 2000 House Condition Survey) reveals the worst housing conditions are in the private sector with virtually no Council stock being unfit. Having regard to property conditions and to the significant resources (some £137 million over 4 years) which are now available through Arms Length Management (ALMO) status for bringing Council dwellings up to the Government’s Decency Standard, this policy framework will focus on addressing conditions in the private sector (ie financial assistance will not normally be provided for Council dwellings).
- 2.3 As part of the preparations for its fundamental Best Value Review of its private sector housing functions, in 2000 Wigan Council engaged consultants to consider housing conditions and other matters. The key findings are set out in Appendix 1 together with the findings of an earlier survey conducted in 1996. This independent research reveals notable outcomes during this period with reductions in unfitness, empty homes and cold conditions. The Housing Needs Survey, 2003 provided further information and enabled a review and amendment of this policy.
- 2.4 Whilst this research reveals considerable progress in improving the private sector, the Borough still has significant problems. People who live in the 5,000 unfit homes face significant risks to their health or safety from problems such as:
- serious disrepair (eg dangerous electrics),
 - dampness, and
 - unsanitary conditions.

The current fitness standard is very basic and excludes other health and safety problems, notably:

- cold conditions, and
- poor internal arrangement (eg steep staircases).

- 2.5 The research also revealed disproportionate levels of unfit and cold conditions affecting the homes of the most vulnerable (eg older people and people with disability) who are least able to fund essential works due to low incomes and the private rented sector. We also find the same problems (ie fitness and cold conditions) plus the blighting effect of empty homes affecting geographical concentration of pre-1919 terraces particularly around the older urban centres.
- 2.6 The survey also reveals that to tackle unfit and the most urgent repairs are estimated to cost £48.5 million. Projections on public capital resources indicate that between £3.5 to £4.5 millions will be available annually for all aspects of housing renewal (including slum clearance and disabled facility grants). Details of the programmes, their outputs and the contributions of other partners are set out in the Housing Strategy. On their own, these resources cannot resolve poor housing conditions and mechanisms are needed to encourage home owners themselves to invest in improving and maintaining their own homes wherever possible without creating other problems (eg debt and poverty). As the research also revealed low incomes is a particular problem in the Borough and releasing home equity will not be easy due to low house prices and consumer reluctance to use equity release schemes.
- 2.7 On housing needs the Council's 2003 survey reveals:
- a significant house price inflation which together with low incomes has created a need for 270 additional affordable homes annually.
 - 2,348 households with a disabled person did not live in suitably adapted premises;
 - there was a significant mismatch between adapted houses and where people with disability live; and
 - significant proportion of social housing have been adapted (26% of housing association homes and 17% Council rented homes).

The Private Sector Housing Strategy

- 2.8 A fundamental change to private sector housing strategy was introduced following the 1996 house condition survey. The strategy adopted following the survey:
- was evidenced based targeting the priorities to emerge from the survey;
 - involved a fundamental shift from a "pepper potted" approach driven by the legal duty at the time which obliged Councils to give grants to owners of unfit homes;
 - introduced five major dimensions (ie priorities) which effectively targeted the resources and efforts of all partners. These dimensions were:
 - Clients
 - Targeting renovation grants of unfit homes but only those occupied by the most vulnerable plus improving the Care and Repair Agency (run by Arena Housing).

- Areas - Targeting concentrations of unfit housing (ie the weakest part of the market) using Renewal Areas and Slum Clearance.
- Property type - Targeting enforcement at the bottom end of the private rented sector – our worst landlords and houses in multiple occupation.
- Property condition - Targeting empty homes using a mix of promotion, enforcement and the innovative Empty Homes Challenge Fund.
- Issues - Targeting cold conditions, crime prevention and anti-social behaviour.

- 2.9 The house renovation grant policy was formally amended in 1997 by the Council to direct resources at these priorities.
- 2.10 The delivery of the strategy and the grant policy by Urban Renewal staff and partners was highly effective in reducing unfitness, empty homes and cold conditions, proved popular (with high customer satisfaction) and received national and local accolades.
- 2.11 As part of the Best Value Review and following consultation with the Housing Partnership and stakeholders (including customers), the Council introduced the “Private Sector Housing Strategy 2002 to 2007”. This built on many of the positive aspects of the Council’s previous strategy, notably the targeting of resources at problems revealed by robust research. The strategy was also developed to reflect the Council’s political principles, the Community Plan, the Housing Strategy, Regional Housing Strategy and other high level strategies (eg Neighbourhood Renewal, Community safety, Our Healthier Borough Strategy and Street Scene). The current strategy is set out in the remainder of this section and provides the strategic framework and priorities for formulating the new policy framework for both enforcement and providing financial assistance to home owners.

The Private Sector Housing Strategy 2002 to 2007

2.12 *The Aim is:*

“Within the resource available, to ensure a decent home for all and to make the Borough a more attractive place to live. This will be achieved by working in partnership and securing the best possible customer focused services which address the priorities identified by the Housing Partnership and other partnerships and stakeholders”.

2.13 *The Guiding Principles are:*

- Performance – securing the best possible customer focused strategy and services which address agreed priorities and continually improve performance.
- Partnership – acting in the interests of the community by working in partnership.
- Priorities – giving priority to those most at risk from poor housing conditions with a balance between certain approaches (eg area based targeting of worst areas, but still providing Borough wide services for vulnerable people).
- Fairness – ensuring grant and enforcement policies are fair and reasonable, objective, open and transparent.
- Contributing – ensuring our interventions contribute to other Government and corporate priorities notably social exclusion, crime and disorder, street scene, health and sustainability.
- These guiding principles will direct our decisions over the next few years and are developed from the Council's political principles.

2.14 *The Three Strategic Objectives and Priorities reflect those contained in the Council's Housing Strategy. These are:*

- People and Choice – focusing our partnership resources on the worst housing conditions giving priority to those households most at risk from poor housing and who cannot afford to repair their home. Priorities will include older people, people with disabilities, and others identified by the Housing Partnership Forum.
- Neighbourhood Renewal – focusing our partnership resources on concentrations of substandard pre-1919 terraced housing and areas of low demand which are unlikely to self regenerate without our intervention with the objective of preventing the costly consequences of spiralling wholesale abandonment. This will include ensuring a more balanced housing market, renewing local economies, reviving local communities, ensuring decent services, leadership and joint working.
- Quality homes – focusing our partnership resources on promoting and ensuring a healthy private rented sector, tackling cowboy builders, encouraging home maintenance, improving home energy efficiency, home security and reducing anti-social behaviour.

Many of the practical interventions to deliver these three strategic objectives are well developed and have delivered significant outcomes in reducing unfitnes, empty homes and cold conditions. Some examples are set out in Figure 2.

<u>Strategic Objective</u>	<u>Practical Intervention</u>
On People and Choice	- The Older Persons Housing Forum “safe and healthy homes” services offer free home safety checks, home security measures, energy efficiency advice as well as the traditional “Care and Repair” service.
On Neighbourhood Renewal	- Wigan Council’s successful Renewal Areas where in partnership with residents and others, action is taken on revitalising local communities, environmental improvements, energy efficiency, home security and house renovation.
On Quality Homes	- The award winning “Wise Home Owners” has contributed to the substantial improvement in home energy efficiency. The innovative Empty Homes Challenge Fund, together with a tough regulatory stance have helped reduce the numbers of empty homes in the Borough.

Figure 2: Examples of the practical initiatives which will deliver the three strategic objectives

2.15 The strategy set out to build on these strengths and develop further innovative approaches which are appropriate to the problems being encountered locally. Major initiatives to be introduced over the five year period of the strategy included:

- On People and Choice***
- Increasing efforts to find mechanisms for unlocking equity, despite research by the Joseph Rowntree Foundation revealing a trial scheme in York had failed. It was envisaged that this would enable a solution where housing assistance policy provides support depending on a household’s financial circumstance (see Figure 3).

<u>Person's Circumstances</u>	<u>Possible Service to be made available</u>
Sufficient resources	<ul style="list-style-type: none"> - Equity release scheme. - Home Maintenance advice. - Access to low cost home maintenance service for older people. - Quality Assured National Warranty Builders Scheme. - Tough stance on "cowboy builders" through Trading Standards.
Limited resources	<ul style="list-style-type: none"> - Low cost home loans assessment possibly limited grant support (level based on "means test").
Insufficient resources	<ul style="list-style-type: none"> - 100% Renovation Grants.

Figure 3: Possible future financial support framework for renovating substandard privately owned homes

On Neighbourhood Renewal

- Utilising the new opportunities to emerge from the Government, adjusting our programmes particularly to support the National Strategy for Neighbourhood Renewal. This will include declaring further Renewal Areas within the Borough's Neighbourhood Renewal Areas, involving residents in creating "Local Community Action Plans", leveraging in European funding and to give a greater emphasis to revitalising local communities, community safety, social exclusion, health and the "street scene". Where appropriate we will demolish obsolete housing following consultation with owners, occupiers and other stakeholders.

On Quality Homes

- Whilst benchmarking reveals us to be by far the most active regulator in Greater Manchester, we need to move forward in finding ways to reduce the disproportionate levels of unfitness and disrepair in rented accommodation. Proposals will be produced to build off the success of the Council's innovative 'portfolio' approach. Briefly, all medium to large landlords (including Registered Social Landlords) will be invited to submit a profile on their stock condition, asset management plans (including maintenance levels), repairs handling systems, approach to minimising anti-social behaviour, levels of voids, prevalence of multi occupation and gas safety certification.

From the returns each landlord will be risk assessed and from this an appropriate level of inspection will be determined. Any landlord not co-operating will be initially considered high risk and the high inspection regime will be used to evaluate the level of housing standards. Under the scheme there may be certain exemptions, for example where the landlord is “accredited” (subject to the Residential Landlords Association introducing an externally validated Accreditation Scheme).

Such a risk based inspection regime is likely to offer “Best Value” and will be trialled even though the Housing Act legislation does little to assist such an approach. Over time, such an approach is more likely to force up the quality of housing management, increase investment and achieve the outcome of reduced levels of unfit and disrepair.

- In addition, the Urban Renewal Service aims to increase home security within private sector housing stock and to work jointly with Greater Manchester Police on the issue of bogus callers, (eg. promoting the “security chain” code).

2.16 *The Key Policies and Supporting Strategies are:*

- Enforcement and Assistance on Housing Renewal (ie this document).
- The Home Energy Conservation Act (HECA) Strategy.
- The Fuel Poverty Strategy.

2.17 *The Key Outcome Measures to be Achieved by 2005 are:*

- to reduce unfit overall to 4% (from 5%);
- to reduce defective homes occupied by older people to 6% (from 7.7%);
- to reduce unfit in the private rented sector to 14% (from 15%);
- to reduce empty homes to 2.5% (from 3%);
- to improve homes with ‘poor’ energy efficiency to 15% (from 26%);
- to secure an overall improvement of energy efficiency of 22.8% between 1995 and 2005; and
- to improve security measures in homes occupied by older people (no target at present – data too limited).

2.18 *On Efficiency and Quality of Service:*

- an overall customer satisfaction rating of at least 80%;
- retain Investors in People accreditation and Charter Mark;
- obtain Quality Assurance (ISO 9902) accreditation in 2004/05;
- set and publish operational targets for response times; and
- set and publish efficiency targets covering cost of renovation grants based on achieving upper quartile performance in Greater Manchester (further benchmarking data still required) and nationally (once national data available).

2.19 *On Our Core Businesses and Approach to the Market:*

We will retain core business, namely a strategic role which includes enabling partnership working, regulation and commissioning which may expand in the next few years in the light of the Government's Housing White Paper.

On other matters we remain committed to a mixed economy of provision to secure Best Value and will work positively through partnerships to encourage the development of alternative providers. On partners we will seek to include both the private sector and the voluntary sector.

2.20 *The Key Role Enablers are:*

- Community participation - where through the emerging corporate strategy, notably community networking we will continue to engage and involve residents and shareholders in developing solutions.
- Partnerships - where through our leading role in the Housing Partnership, Older Persons Housing Forum, the Community Safety Positive Action meetings, and Renewal Area Partnership Forums we will continue to develop answers to the many challenges we jointly face, be it on businesses and regeneration, community safety (ie. crime and disorder), the environment and health and social care.
- Performance - the Best Value processes gives greater structure to our culture of continuously improving. To this we have now added the EFQM Excellence Model which will give greater emphasis to key issues such as processes and internal communication.
- Quality Customer Focused Service - we will continue our regular customer satisfaction surveys, but to this we will deliver further improvements through achieving both Charter Mark and Quality Assurance (ISO 9002) accreditation for 2003/04. (See note on previous page).
- Procurement - options have been evaluated and a mixed economy of provision approach is being adopted.
- Accountability - performance management systems will be reviewed to improve the quarterly and annual performance reports on both capital and service plans to the Housing Forum and Housing Partnership. This will necessitate an update of our Information Technology systems.
- Measurable, relevant and robust solutions - the five yearly house condition survey leaves us well placed to develop and measure solutions, but further research is needed into improving our surveys, notably in understanding and solving housing market decline. We will invite Government Office and other key partners to assist this research.

- Staff - the most important resource. We already do well in developing our staff and have Investor in People accreditation. Staff morale is good, enhanced by a high degree of delegation of both budgets, grant approvals and service of notices which has improved efficiency. Our surveys of staff reveal many plus points, good relationships, flexibility and job satisfaction.

National, Regional and Corporate Priorities

- 2.21 The Private Housing Sector Strategy and services are committed to responding to Government and Council policy developments including the Modernisation Agenda. These are reflected in the strategy and this will contribute in a pragmatic way to other key issues notably the Community Plan, neighbourhood renewal, community safety, the street scene, social exclusion, health, Agenda 21, older people, equal opportunities, human rights, the Enforcement Concordat and the customer/consumer focus now being sought. Particular attention has been given to contributing to the Regional Housing Strategy and working with neighbouring boroughs on sub-regional market issues such as preventing market failure through use of Renewal Areas and the Empty Homes Challenge Fund.
- 2.22 In the light of the Lawrence Report and in line with both Government and Corporate views, the Department recognises the importance of achieving a recognised level of performance on Equal Opportunities. Accordingly the Improvement Plan sets out our objective to reach the Equality Standard level 3 in 2004.
- 2.23 The service will also commission an Anti-Social Behaviour intervention service for private sector households – a priority issue for both the Government, the Council and residents of the Borough and critical to ensuring stable neighbourhoods of private sector housing.

Performance

- 2.24 Wigan Council is able to track progress on the headline issues of unfit and empty homes reasonably accurately “year on year” and all indications are that the outcome measures will be achieved supporting the view that the existing strategy, policies and programmes are proving effective.
- 2.25 The Council’s current strategy and whole approach has been subject to an inspection by the Housing Best Value Inspectorate in 2001. Amongst their findings the Inspectorate reported:
- the aim of this service was clear and challenging;
 - there was a well-researched private sector housing strategy;
 - the Council had a quality product which is having a clear impact; and
 - the Council operates clear and transparent policies for grants and capital investment.

Urban Renewal Service was assessed as an “Excellent” three star service which will improve.

- 2.26 The strategy and performance is also assessed annually under the Housing Investment Programme (HIP) by the Government Office for North West which reported in a letter to the Chief Executive in February 2002 that on private sector housing the Council “remains of an exemplary standard”. The HIP assessment in

December 2002 secured the top score of “Well Above Average” and under the Comprehensive Performance Assessment, Housing has secured a top score of 4 (ie “excellent”).

2.27 Having reviewed the Housing Renewal Guidance issued by the Government, there appears to be no significant aspect which warrants a revision to the Council’s existing housing strategy other than changing the policy tools of enforcement and providing financial assistance.

2.28 Indeed one can see many examples of Wigan’s approach being reflected in the Government’s guidance including:

- Aligning housing renewal policy with wider strategic objectives.
- Working with local partners.
- Evidence based strategies and policies.
- Setting priorities (eg client based and area based approaches).

2.29 The Council’s strategy and policies also include a balance between recognising the obligation on individuals in keeping their homes in good repair and an evidenced based approach of targeting assistance at those in most need or where market factors dictate (eg Renewal areas/clearance) with enforcement being undertaken in a fair, open and transparent manner.

2.30 **In light of the robust approach the Council has taken in producing its housing strategy, the positive outcomes from various Government assessments and evidence the framework is having the desired impact it is proposed to continue with the current Private Sector Housing Strategy until its next planned review in 2005/06. This enables the Council, its partners and others to focus on developing a new policy framework for enforcement and providing financial assistance which deliver the aims and objectives of the current housing strategy. Adjustments have been made to address issues identified by our latest research, the Housing Needs Survey 2003.**

KEY POINTS

- Local authorities are under a legal duty to review housing needs and conditions and then develop solutions.
- The House Condition Surveys of 1996 to 2000 reveal success in reducing unfitnes, empty homes and cold conditions.
- Significant problems still exist with many people still living in unfit and cold homes which affect their health and safety.
- There are disproportionate levels of unfitnes affecting the most vulnerable who are least able to fund repairs and the private rented sector.
- We also find problems concentrated in the pre-1919 terraces.
- Costs to tackle unfitnes and urgent repair are estimated at £48.5 million, the public investment of between £3.5 to £4.5 million a year will not resolve problems – home owners have to increase their investment.
- The current strategy was adopted recently (in 2001) following extensive research and consultation. It provides clarity on both the direction and priorities for the future policy framework of enforcement and providing housing assistance.
- This revolves around ensuring policies target:
 - the worst housing conditions occupied by the most vulnerable who cannot afford to repair their home;
 - concentrations of substandard pre-1919 terraces and areas of low demand which are unlikely to self-regenerate including bringing empty homes back into use;
 - improving the private rented sector home energy efficiency and home security;
 - the strategy also a model for providing assistance taking account of the person's financial circumstances including the equity in their home.
 - All performance monitoring indicates the Council is on target to achieve its objectives.
- The strategy and its delivery has also been assessed by both the Housing Best Value Inspectorate and Government Office for the North West. Our performance is considered to be "excellent" and "exemplary".
- In the light of robust approach taken to producing the strategy, the positive outcomes (eg reducing unfitnes) and external assessment, no changes are proposed to the existing strategy.
- Instead the focus will be on developing the appropriate policy tools for enforcement and providing housing assistance which will deliver the outcomes the Council seeks.

KEY POINTS (continued)

- The current Private Sector Housing Strategy was adopted in 2001 and followed extensive research and consultation.
- The strategy includes a clear aim, three themes (people and choice, neighbourhood renewal and quality homes).
- Outcome measures including reducing unfitnes to 4%, reducing empty homes to 2.5%, improving energy efficiency and home security measures.
- The strategy and its delivery has been assessed by both the Housing Best Value Inspectorate and Government Office for the North West. Our performance is considered to be “Excellent” and “Exemplary”.
- In the light of robust approach taken to producing the strategy, the positive outcomes (eg reducing unfitnes) and external assessment, no major changes are proposed to the existing strategy.
- Instead the focus will be on developing the appropriate policy tools for providing housing assistance which will deliver the outcomes the Council seeks.
- The changes that have been made arise from the findings of the Housing needs Survey 2003 which revealed an emerging issue of affordability and a mismatch between adapted houses and where people with disability live.

3. THE FITNESS ENFORCEMENT POLICY AND POLICY OPTIONS FOR PROVIDING FINANCIAL ASSISTANCE

This section sets out the fitness enforcement policy framework, the legal framework for providing financial assistance to home owners, the appropriateness of the current strategy, Wigan Council's current house renovation grant policies and some of the main options for a future policy framework.

- 3.1 Under Section 605 of the Housing Act 1985 local authorities are required to consider, at least once a year, the condition of all housing in their areas, irrespective of tenure. Elsewhere in the Act authorities have to consider housing needs, notably the provision of housing accommodation. The Council's Housing Strategy 2002 to 2007 sets out the Council's approach to address house conditions and needs as well as contributing to other obligations such as crime and disorder, equality and the environment. Performance is reviewed at least annually and a programme exists to review various aspects of the housing strategy.
- 3.2 Local authorities have extensive powers to intervene where they consider housing conditions are unacceptable. The options are mostly contained in the Housing Act 1985 (as amended) and the Housing Grants, Construction and Regeneration Act 1996 (as amended). These interventions include:
- enforcement activity (eg serving notices on owners to defer action, repair, demolish or close unfit dwellings);
 - slum clearance;
 - compulsory purchase orders (eg for empty homes)
 - renewal areas;
 - disabled facility grants; and
 - house (renovation) grants.

Financial Assistance Grants

- 3.3 The Regulatory Reform (Housing Assistance) Order 2002 and the associated government guidance ("Housing Renewal Guidance", 2002) fundamentally changes the legislation and government guidance on house renovation grants.
- 3.4 The Council's current House Renovation Grant Policy was introduced in 1997 and was to a large extent based on the prescriptive legislative framework (the Housing Grants, Construction and Regulation Act 1996 and DoE Circular 17/96).

Whilst some amendments have been made to the Grant Policy by the Council, the key priority areas have remained largely unchanged:

- In Renewal Areas - Means tested renovation grants available to owners for block improvement schemes, remedying unfitness and serious disrepair and for home security measures.
- Borough wide - Means tested “fitness grants” for owner occupiers where the dwelling was unfit and
 - either (i) The applicant or a permanent resident of the household is either disabled or elderly (aged over 60 years); or
 - (ii) The household is in receipt of a relevant means tested benefit.
- Renovation Grants for repairing empty homes (only available to the successful bidder under the Empty Homes Challenge Fund).

3.5 Eligibility criteria and grant conditions were also largely determined by the legislation and government guidance.

3.6 During the Best Value Review of Urban Renewal Services a number of weaknesses in the government’s framework were identified. The Council’s research had revealed some £48.5 million was needed to remedy unfitness and deal with the most urgent of repairs yet the Council’s annual allocation for housing renewal was only £4 million. The Best Value Review re-affirmed that owners are responsible for the repair and maintenance of their own properties and saw the solution as a combination of grant and loan, the loan effectively releasing the equity in the property.

3.7 The Regulatory Reform (Housing Assistance) Order 2002 and government guidance provides local authorities with a much greater degree of flexibility in devising both its strategy for dealing with poor conditions in private sector housing and in the policy tools available.

3.8 The Order contains a new general power for local authorities to improve housing:

For the purpose of improving living conditions in their area, a local housing authority may provide, directly or indirectly, assistance to any person for the purpose of enabling him:

- (a) *to acquire living accommodation (whether within or outside their area);*
- (b) *to adapt or improve living accommodation (whether by alteration, conversion or enlargement, by the installation of any thing or injection of any substance, or otherwise);*
- (c) *to repair living accommodation;*
- (d) *to demolish buildings comprising or including living accommodation;*
- (e) *where buildings comprising or including living accommodation have been demolished, to construct buildings that comprise or include replacement living accommodation.*

3.9 Figure 4 sets out a range of policy options for the key issues of improving and/or repairing living accommodation.

3.10 There are many options now available to local authorities. Some are known to be favouring loan/equity release but these are in areas of much higher house prices. Others are known to be considering an option largely based on grants due to low equity values. Wigan's housing market suggests the Council will need a combined loan/grant regime but with a "safety net" for cases where there is low equity in the house (eg pre-1919 terraces which are unfit). The grant element will hopefully attract owners into taking out loans releasing equity and once repaid these loans can be recycled.

POLICY OPTION	IMPLICATIONS	STRENGTHS	WEAKNESSES
1. A blanket "no assistance" policy – no grants or loans.	<ul style="list-style-type: none"> Government would consider that an authority was failing in its duty as a housing enabler. Vulnerable households would remain in unfit housing. Risk of market collapse in areas of pre-1919 housing. Bottom quartile performance on Best Value Performance Indicators. 	<ul style="list-style-type: none"> With "single capital" pot resources could be used elsewhere eg improving roads or leisure facilities. 	<ul style="list-style-type: none"> Loss of revenue support subsidy for activity. Unfit housing remains – impact on health of occupiers. Risk of market collapse leading to more expensive alternatives eg slum clearance. Detrimental impact on next Comprehensive Performance Assessment.
2. Assistance targeted at only one or two issues.	<ul style="list-style-type: none"> Implications as above. Crucially, the current balance between the big themes of areas, vulnerable people and empty homes is lost leaving an unbalanced strategy. These elements interlink and are mutually reinforcing (eg empty homes are tackled in Renewal Areas, failure to do so undermines local market). 	<ul style="list-style-type: none"> Strength, as above. 	<ul style="list-style-type: none"> Weaknesses as above.
3. Grants only assistance	<ul style="list-style-type: none"> Would ensure Council achieves its strategy and objectives but possibly slower than could be achieved with owners also investing. Loose longer-term potential of recycling loans repaid back into housing renewal – which should lead in time to a reduced call on the Council's capital resources. 	<ul style="list-style-type: none"> Current policy has worked well evidenced by significant outcomes and outputs on key issues of unfitness and empty homes. Simple to implement – can just reproduce existing forms and processes. More acceptable to home owners. 	<ul style="list-style-type: none"> As implications but crucially fails to make the link that owners must take responsibility for their own homes and release equity where possible.
4. Loans only assistance	<ul style="list-style-type: none"> Council unlikely to achieve its strategy and objectives. Owners unlikely to take out loans only <ul style="list-style-type: none"> Partly because some will have low equity Others will not be attracted to spend on their housing. Most vulnerable on low income will suffer the most – they are least able to raise loans and meet repayments. 	<ul style="list-style-type: none"> System would be simpler to administer. Potential for any loans repaid to be recycled back into housing renewal. 	<ul style="list-style-type: none"> As implications but also likely to have to cut services and staff losing what is evidenced as an Excellent Service. Detrimental impact on Best Value performance indicators and next Comprehensive Performance Assessment.
5. Combination of Grants and Loans targeted at the priorities set out in the Council's private sector housing strategy (eg Renewal Areas and vulnerable households)	<ul style="list-style-type: none"> Could achieve Council's strategy and objectives faster than a grants only policy. Longer-term potential for recycling loans repaid back into housing renewal. Provides support to most vulnerable on low incomes. 	<ul style="list-style-type: none"> As implications plus - Releases equity and makes the link with owners being responsible for maintaining their own home. Grant offers the carrot of attracting owners into the scheme of releasing equity. 	<ul style="list-style-type: none"> New framework, no guarantee of uptake so potential to damage impact of strategy, Best Value Performance indicators and CPA. Needs major changes to existing policy and procedures. Loan administration will be resource intensive and delay processing of applications.

Figure 4: Main options for providing housing assistance

- 3.11 It is the grant/loan combination that has been developed further in Section 4 as a mechanism for providing housing assistance for achieving the aim and outcome measures set out in the Council's strategy (see Section 2).

Enforcement

- 3.12 The Council's Private Sector Housing Strategy encourages the co-operation of individuals in keeping their homes in good repair. The Council's strategy also recognises that circumstances exist where financial assistance is required particularly for those on low incomes. Enforcement is also an integral part of the strategy and policy framework. Following consultation which included the private rented sector, the Council adopted in 2001 an Enforcement Policy based on the Government's Enforcement Concordat. This policy sets out to ensure the Council undertakes its enforcement role in a fair, open and transparent manner.
- 3.13 In addition to the Enforcement Policy when a council officer is dealing with a house which is below acceptable standards, follows the specific enforcement policy guidance for housing adopted by the Council in 1997 following a report to the Housing (Private Sector Strategy) Ad Hoc Sub-Committee on the 6 February 1997. This policy has now been revised in the light of The Regulatory Reform (Housing Assistance) England and Wales Order 2002 and the Housing Renewal Guidance (notably Annex G).
- 3.14 The new fitness enforcement policy is set out in Appendix 2. This determines how the authority will decide whether the "most satisfactory course of action" for dealing with an unfit dwelling is:
- the service of a repair notice, or
 - the service of a deferred action notice, or
 - the making of a closing order, or
 - the making of a demolition order, or
 - the declaration of a clearance area.
- 3.15 The enforcement policy framework is intended to be used in conjunction with the policy for providing financial assistance. So for example where the owner of an unfit dwelling is eligible under the policy for housing assistance and completes the relevant works with such assistance, then the Council will not normally need to use its enforcement options. However, where housing assistance is not available or an owner does complete the works (be it with or without financial assistance) then the authority is legally obliged to pursue the enforcement option.
- 3.16 The overarching principles behind the Fitness Enforcement Policy is the Council's Enforcement Policy which aims to ensure the enforcement role in a fair, open and consistent manner. The Council will also continue to make a charge of up to £300 for recovering certain expenses incurred in taking action.

KEY POINTS

- Local authorities have extensive powers to intervene where housing conditions are unacceptable. This includes enforcement notices, slum clearance and providing renovation grants.
- A revised policy framework for Fitness Enforcement is set out which compliments housing assistance policy framework.
- The Council's current House Renovation Grant Policy was introduced in 1997 and targets resources at geographical concentrations of poor housing Renewal Areas, the most vulnerable and key issues such as empty homes and home security measures.
- The Regulatory Reform (Housing Assistance) Order 2002 gives local authorities a much greater degree of flexibility in devising policies for providing assistance to home owners and Councils had until June 2003 to introduce a new policy framework.
- A range of policy options for providing financial assistance from a "blanket no assistance" to "grants only assistance".
- The preferred option is a combination of grants and loans targeted at the priorities set out in the Council's private sector housing strategy (eg Renewal Areas and vulnerable households) and some issues emerging from the Housing Needs Survey 2003 revolving around affordability and the needs of people with disabilities.
- The fitness enforcement policy has been revised in the light of The Regulatory Reform Order. This makes transparent that where a person remedies unfitness using the Council's Housing Financial assistance framework then enforcement action will not normally result.
- The fitness enforcement policy will continue:
 - to be fair, open and consistent complying with the Council's Enforcement Policy, and
 - to charge up to £300 for recovering certain expenses incurred in taking action.

4. PROPOSED POLICY FRAMEWORK FOR PROVIDING HOUSING FINANCIAL ASSISTANCE

This section sets out the policy framework for providing housing financial assistance.

Proposals are made to target investment at the priorities identified in the Private Sector Housing Strategy.

The main policy tools are described along with eligibility criteria conditions, procedures and processes and dealing with grievances.

- 4.1 We are able to evidence through house condition surveys conducted by independent consultants and ongoing performance monitoring that the Council's strategy and house renovation grant policies are having a real impact on critical issues such as
- unfitness,
 - empty homes,
 - cold conditions, and
 - area renewal.
- 4.2 The Housing Best Value Inspectorate also commended the Council for its consistent and steady approach which contrasts sharply with the "stop-go" policies adopted in some areas and the targeting of resources "in a way that will maximise the potential impact" The Inspectorate went on to refer to the commitment to the value of a researched and objectively validated approach. This they stated "is very much in line with Government policy and best practice".
- 4.3 As stated in Section 3 this leads to the view that the current targeted approach should be continued as set out in Figure 5. This contributes to both the Community Plan and Housing Strategy as shown in Figure 6. The Council's Performance Plus (P+) computer based performance management system provides the means for tracking outputs (such as homes improved) and generating performance reports on local and national Best Value performance indicators, the housing strategic objectives and the Community Plan objectives.

<u>Housing Strategic theme</u>	<u>Financial Assistance targeted at:</u>	<u>House Condition Survey 2000 and Housing Needs Survey 2003 Evidenced by</u>
People and choice	- the most vulnerable low income households living in unfit housing.	Disability – 12% unfit homes. Older people – 7.7% homes defective.
	- people with disability whose homes need adapting.	Statutory Duty to provide essential adaptations.
Neighbourhood Renewal	- concentrations of unfit housing, notably pre-1919 terraces. (ie Renewal Areas and slum clearance).	11% of terraces unfit.
Quality Homes	- bringing empty homes back into use.	3% of stock vacant – risk of market decline.
	- ensuring homes occupied by the most vulnerable are secure.	(Police crime data reveals older people at greatest risk from bogus callers.)

Figure 5: Continued targeting of financial assistance

(Note: Borough average for unfitness is 5%).

4.4 The House Condition Survey also revealed disproportionately high levels of unfitness in the private rented sector (15%) and flats over shops (27%). Except as part of a broader regeneration initiative financial assistance for the following cases:

Private and social rented sector	<ul style="list-style-type: none"> - the responsibility for maintenance is with the property owner; - to offer financial incentives potentially encourages landlords to neglect properties; - as with any business, the maintenance of the asset should be factored into the business plan; - the Council has alternative ways of securing improvements (eg enforcement action); and - the Citizens' Panel felt assistance should be restricted to owner occupiers.
Empty Flats over shops	<ul style="list-style-type: none"> - currently there is little or no housing shortages in the Borough; - demand for flats (including over shops) appear limited; - flats in town centres and on arterial routes have noisy environments and provide less suitable housing; and.

- the Council has alternative ways of securing improvements if necessary (eg enforcement action).

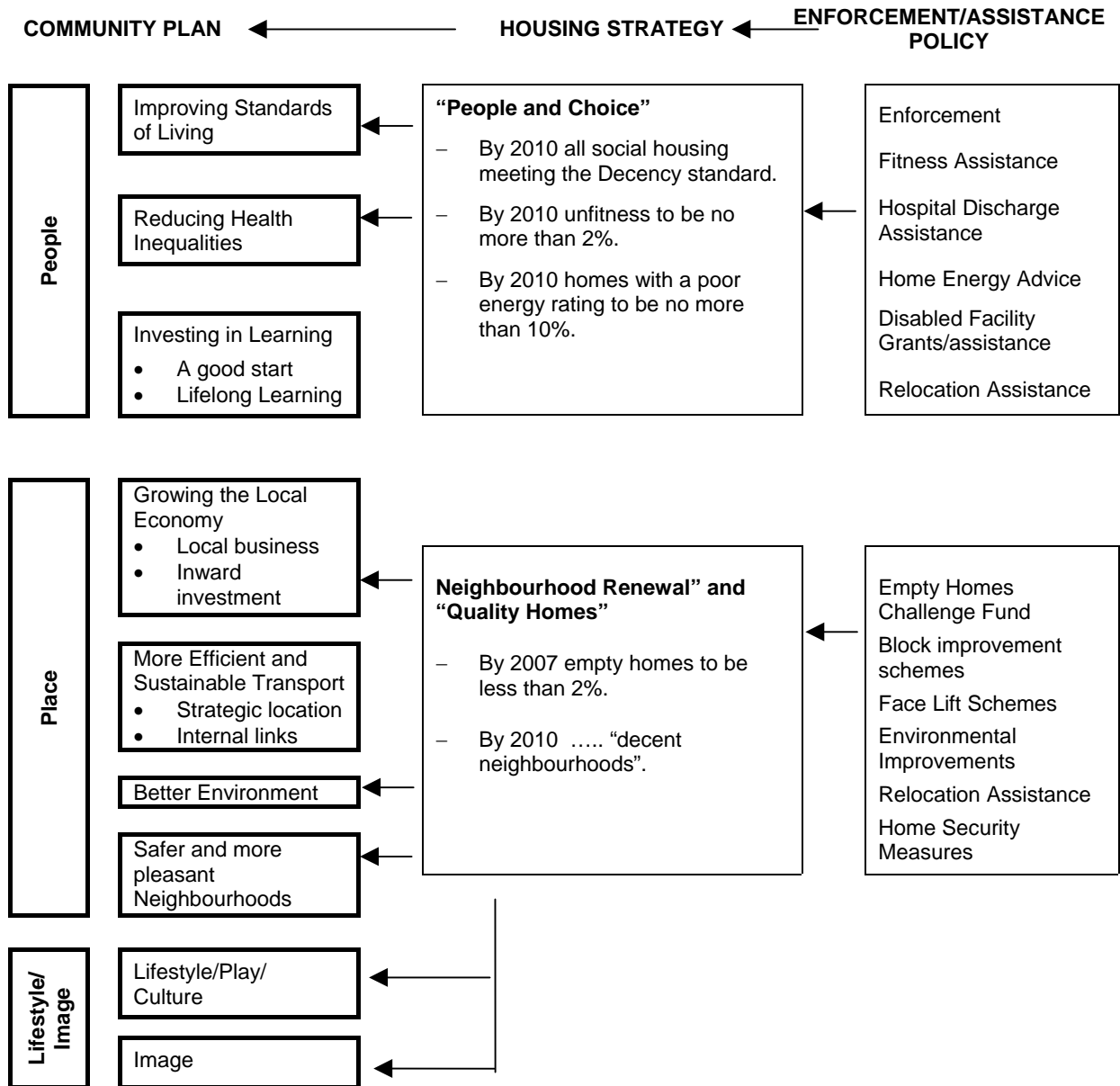


Figure 6: Summary of the Contribution the policy for Enforcement and Assistance makes to the Housing Strategy and Community Plan

4.5 On social rented and Council dwellings financial assistance will not normally be available to adapt, improve or repair living accommodation. Reasons include:

- both house condition surveys reveal very few homes to be unfit, indeed this stock is in a relatively good condition compared to the private sector; and
- the Council and Registered Social Landlords should have robust business plans which ensure their properties will achieve the Government’s decency standards by 2010.

The exceptions revolve around assisting people with essential adaptations who are eligible for mandatory Disabled Facility Grants, these are explained in paragraph 4.16. In addition the Council will consider exceptional cases but will explore alternative resolutions before investing scarce resources away from those sectors which are evidenced as having the worst housing conditions.

- 4.6 The Council will also not normally provide grant aid for home energy conservation since the Government's Warm Front Scheme ensures the priority groups (ie the most vulnerable and those on low income) have access to energy efficiency measures and central heating where appropriate. However, to secure the Council's Home Energy Conservation Act targets and to address fuel poverty a grant condition will be included to encourage uptake of the Warm Front Scheme and will facilitate, promote and advise on measures to increase energy conservation.
- 4.7 The House Condition Survey 2000 also revealed that £48.5 million was needed to remedy unfitness and deal with the most urgent repairs. With the Council having available only £4 million per annum for all aspects of Housing Renewal including Disabled Facility Grants (over £800,000 a year) it was clear when formulating the strategy that house owners would need to increase their investment if we were going to ensure people live in decent homes.
- 4.8 Also fundamental to both the Government's and the Council's strategy and grant policy has been the principle that it is primarily the responsibility of home owners to maintain their own property. However, both the Government and Wigan Council are committed to improving housing quality and accept that some house owners, particularly the elderly and most vulnerable, do not have the necessary resources to keep their homes in good repair. The Council also supports the priorities in the Regional Housing Strategy and as elsewhere in the north of England there is a problem of low demand in local housing markets and that targeted interventions to prevent market failure involve the use of Renewal Areas, slum clearance and bringing empty homes into use is necessary to retain stable and viable communities.
- 4.9 In effect the Council's policy on providing financial assistance aims to strike a balance between:
- home owners maintaining and investing in their own property;
 - public funds being used to assist the most vulnerable living in the worst conditions and stimulate housing renewal in weak housing markets; and
 - targeting available public funds to secure the Council's objectives, notably assisting with essential adaptations, reducing unfitness, empty homes, cold conditions and home security.
- 4.10 The main thrust of the Council's policy is to encourage home-owners to invest in improving the physical structure of their property thus protecting their asset (and its value) in the longer-term. This represents a fundamental change moving away from solely providing a house renovation grant to a framework largely based on a combination of grant and low cost loan including a subsidy to access the loan.

4.11 In developing this framework account has been taken of local house prices, house price trends and the local housing market in particular some of the relatively low value of pre-1919 terraced stock at which much of the Council's strategy and policy is targeted. The Council is particularly mindful of the relatively low levels of equity in the worst of the housing stock which limit the availability of equity release scheme. Accordingly, the Council's approach involves providing low cost loans with deferred repayments having due regard to a person's ability to contribute or repay assistance. In certain specified circumstances the Council will provide solely grant aid but this will be subject to a means test.

Priorities and the Main Policy Tools

4.12 The priorities for allocating resources and the main policy tools for housing assistance are summarised in figure 6.

<u>Priorities</u>	<u>Policy Tools</u> for housing assistance
1. Disabled People Assistance	Includes a mandatory Disabled Facility Grant (statutory framework so no changes). A range of discretionary assistance to be used in exceptional cases where the Authority deems it appropriate.
2. Slum Clearance (including Demolition and Closing Orders) (Mandatory).	Compensation – statutory framework and relocation assistance in appropriate cases.
3. Renewal Areas	Face lift schemes and Environmental Improvements.
4. Vulnerable and low income households living in unfit homes.	“Fitness” assistance – combination grant/loan. “Hospital discharge assistance” – grant only. Housing maintenance advice.
5. Bringing long-term empty homes back into use.	Challenge Fund – combination grant/loan.
6. Home Security Measures	Included in 3 to 5 above.
7. Home Energy Conservation	Local Energy Advice Centre and discount schemes.

Figure 6: Summary of priorities and main policy tools

4.13 The policy and procedures for Disabled Facility Grants and Slum Clearance are set down by Government and much is of a statutory nature where local authorities have no discretion. In January 2004 this policy framework was amended to support purchase and relocation including land assembly.

4.14 Circumstances where Housing Assistance will not normally be provided include:

- people seeking to purchase their own house except in a limited number of circumstances;
- dwellings constructed after 1984 since the Housing Condition Surveys reveal there are no significant problems, unlike older housing (exception is Disabled Facility Grants/Loans);
- dwellings where slum clearance, demolition or closing orders are the most appropriate course of action;
- repair, improvement or conversion of houses in multiple occupation (landlords should develop robust asset management and business plans);
- conversion or extension of existing houses except in cases of statutory overcrowding (home owners should consider relocation, the public funds available need to be targeted at alleviating the worst housing conditions); and
- second homes or holiday homes.

4.15 The Council will also be making use of other options for securing or improving in accommodation including advice, guidance and where possible discounts for home security, home maintenance and energy conservation both directly and through agencies (such as Care and Repair, the Energy Advice Centre).

4.16 Set out in Appendix 3 are the types of Housing Assistance which the Council is making available. These are:

“Home Fitness Assistance” – Borough wide

- To reduce unfitness, where repair is the most appropriate course of action a combination grant/loan on a ratio of 90%/10% in Renewal Areas and 75%/25% elsewhere in the Borough for specified vulnerable low income owner occupied households living in unfit dwellings subject to a maximum of £6,000. An additional top up loan normally up to £4,000 may be made available in exceptional cases. Dwellings include house-boats and mobile homes used as a person’s main residence. A contingency exists that where resources permit for financial assistance to also be given to low income owner-occupiers living in unfit dwellings and for dealing with “life and limb” cases exceeding the thresholds, eg rebuilding unstable gable ends.

“Hospital discharge assistance” – Borough wise

- Where a specified vulnerable low income owner/occupier is to be discharged from hospital and their dwelling is unfit and in need of urgent essential repairs which prevents discharge, then a one-off grant assistance will be considered subject to a maximum of £2,000.

- Renewal Area Assistance (“Face Lift Schemes”) – Renewal Areas only
- To secure market confidence and improve property condition, for the renovation of the external fabric assistance will be provided for “face lift” schemes undertaken at the discretion of the local authority. The schemes will be subject to a maximum of £9,000 in the form of a combined grant/loan plus fees per property in the scheme. It will cover works such as cleaning brickwork, boundary treatments and home security measures. The assistance will be in the form of a grant at 90% and loan of 10%.
 - Environmental Improvements within Renewal Areas or Council designated Housing Action Zones which enhance the appearance of a neighbourhood and assist in increasing confidence in the local housing market. The nature, content and extent of schemes will be determined by the Council in consultation with local communities.
- Empty Homes Assistance – Borough wide
- For bringing empty homes back into use. The successful bidder under the Empty Homes Challenge Fund will be eligible for a combination grant/loan on a ratio of 50/50 subject to a maximum grant of £10,000 and a maximum loan of £10,000.
- Discretionary Disabled Facility Loans – Borough wide
- In cases of hardship where essential works on a mandatory Disabled Facility Grant exceeds the statutory maximum limit (currently £25,000) and the other forms of assistance set out below are inappropriate, then a “top up loan” for essential works subject to a maximum of £10,000 (or £20,000 in exceptional cases) and certain criteria (eg not a repeat application, no alternative housing exists and any compensation payment currently unavailable). An additional condition is attached requiring any adaptation or equipment installed with grant to be returned to the Council when not required.

Disabled Persons assistance to compliment the Mandatory Disabled Facility Grant which gives the Council a range of options to meet essential needs whilst making the best use of public resources. The assistance is for persons eligible to Mandatory Disabled Facility Grants and is restricted to cases determined by the Council. The assistance includes:

A “home loss and disturbance allowance” to encourage tenants of social housing to move from adapted homes (up to £4,000 grant);

A “Housing Association Adaptation Grant”, gap funding grants of up to £25,000 to registered social landlords to carry out essential works on dwellings they have acquired or released to assist in exceptional cases.

“Disabled Persons Relocation Assistance” - in effect an option of last resort where the Council deem the most appropriate course of action to be relocation of an owner occupier to an alternative dwelling in the private sector.

- Slum Clearance Relocation Assistance in areas identified by the Council where assistance is appropriate above the compensation payable for the acquisition of homes. Typically for assisting in land assembly and retaining communities in neighbourhoods.

4.17 All assistance except Hospital Discharge grants, Renewal Area Assistance (ie “face lift schemes”), and home loss and disturbance allowance (to release adapted houses), Empty Homes Assistance and fees and charges will be subject to a means test based on that used for mandatory Disabled Facility Grants.

Some home owners will have little to no equity, notably cases involving low price older terraced housing with an outstanding mortgage/loans. In cases with equity below £10,000 the policy framework includes the option for such home owners to apply for a means tested grant for up to 100% of the cost of works. This does not apply to relocation assistance.

4.18 All these forms of assistance including Hospital Discharge Assistance will include the provision of home security measures to support the Council’s commitment in the Community Safety Strategy to reduce domestic burglaries.

4.19 Owners will have complete discretion as to where they obtain their loan from. Any loan provided by the Council will be secured against the property. To encourage home owners to release equity and invest in their property additional measures to be used are:

- the Council will provide additional grant aid covering 100% of reasonable costs incurred on professional and administrative fees plus the set-up costs of the loan; and
- a simple low fixed rate interest capital appreciation loan. Contingencies exist with the availability of a means tested grant to assist those on low-incomes with low equity.

4.20 Financial assistance will only be available where:

- the applicant is at least 18 years of age when they apply for assistance;
- the applicant holds (or in the case of relocation assistance, will hold) a relevant interest in the property (ie is the owner with at least a 5 year lease) and has provided and completed a prescribed application form with supporting documents and the disclosure of relevant information;
- no works have commenced before approval (except in a case of an emergency and then only with an inspection of property by the Authority prior to commencement of works);

- the applicant complies with the Council's "General Housing Assistance Conditions" set out in Appendix 4; and
- landlords are part of a landlords accreditation scheme recognised by Wigan Council (eg the North West Landlords Association's scheme).

4.21 The loan will be a simple capital appreciation loan where:

- interest will be charged at simple fixed rate on the principal loan (that means there is no compound interest charge) from the date of issue of the completion certificate;
- interest rate will be low, set at the Base Rate which existed on the 1 April (of the financial year in which the application is approved) for example on 1 April 2003 this was 3.75%; and
- the capital (ie the original loan) and interest which accrues will be repaid on the sale or disposal of the property.

4.22 The approach means that loan administration is reduced (eg no interest repayments until sale) which avoids the need to use a financial institution. The whole scheme:

- keeps the cost of loans to the client to a minimum; and
- also minimises the costs to the authority.

4.23 The Authority will be particularly careful to comply with all aspects of consumer credit, regulation and guidance. Procedural guidance is being developed jointly by Urban Renewal Services and the Finance and Information Technology Department in conjunction with Legal Services.

4.24 In particular staff will only give advice about the Council's grant and loan package. No financial advice will be offered on any other products though the Housing Financial Assistance package will include information on the availability of other products. Again this approach is being developed in conjunction with Legal Services. The customer will be advised to consult with an independent financial adviser.

4.25 The aim of the Housing Assistance policy is to provide financial help for those who can least afford to pay for works to their properties. Therefore owner-occupiers will be subject to a means test. Any amount of grant received will be the difference between the amount you are assessed as being able to afford and the total cost of the eligible works. The Council will apply the means test formula used for Mandatory Disabled Facility Grants.

For owner-occupiers, the test will apply to the applicant and to the spouse or partner where the test will apply to both of their incomes and savings. In the case of joint owners living in the home, the test applies to each of them individually.

The test calculates the average weekly income, taking account of any savings above £5,000 (savings below this are ignored as are certain state benefits). This is then set against an assessment of basic needs which are recognised by a range of allowances.

If the resources are less than this assessment, then the applicant will not normally need to contribute to the cost of the works. If they are on certain state benefits they will not normally have to make a contribution although this will not necessarily be the case if anyone else is being assessed.

If the resources are more than the assessment, then a proportion of the income will be used to calculate the size of loan the applicant can afford to finance the works. This 'affordable loan' is then deducted from the cost of the works and grant will be given to cover the remaining cost, if any. Therefore, in practice, the amount of grant is equal to the cost of works minus the 'affordable loan'.

Procedures and Processes

- 4.26 The Council's Financial Assistance framework has been developed to comply with The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and Government guidance. This framework ensures:
- the provision of good information, advice and publicity summarises the authority's policy and procedures;
 - a pre-application process to enable the rapid assessment of initial enquiries;

 - an application form and certificates which follows the Government's Housing Renewal Guidance (eg details of applicant and property, proof of title);
 - before providing assistance setting out in writing to each person the terms and conditions to which the assistance is to be subject;

 - officers satisfying themselves that every applicant has received appropriate advice and information about the extent and nature of any obligation (whether financial or otherwise) they might be entering into;
 - that a person's ability to contribute towards or repay any assistance is taken into account; an approval notice which follows the Government's Housing Renewal Guidance and includes the grant assistance, amount of loan and how it is to be repaid;

 - that work for which the assistance is being provided, or conditions relating to the assistance, can only be varied with the consent of persons likely to be materially affected;
 - that the consent of the owner and tenant of the dwelling is obtained before works are undertaken, providing the tenant does not unreasonably refuse to consent;

 - that the consent of the person being provided with assistance is obtained before revoking any conditions applying to the assistance; and
 - risk and fraud is minimised by following Government's Housing Renewal Guidance and working closely with Internal Audit.

- 4.27 Applications for Housing Assistance can be made to the Council's Urban Renewal Service currently at either the Town Hall, Library Street, Wigan, WN1 1YN or Kennedy House, Brunswick Street, Leigh, WN7 2PJ. Applicants will need to submit a Housing Assistance enquiry form. These enquiry forms will normally be processed within the standards set out in the Customer Charter (see Appendix 7). This charter also sets out the Council's standards for other aspects of this service.
- 4.28 Whilst most enquiries and applications will be processed promptly, in Renewal Areas the Council seeks to batch up applications to enable entire blocks to be improved as one scheme – this does take time and is highly dependant on the co-operation of all owners. For all forms of assistance where demand exceeds the resources available the Council will use waiting lists to manage the demand, normally on a "first come, first served basis" but with the contingency to accelerate any "life and limb" cases.
- 4.29 This policy framework also provides for the Authority to require a person:
- (a) to whom assistance has been provided; or
 - (b) who has applied for assistance.

to give the Authority, within 21 days, such information or evidence including information or evidence relating to that person's financial circumstances as the authority may reasonably require for the purpose of, or purposes connected with, the exercise of the powers under Article 3 of The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

To minimise fraud the Authority and other agencies will check the information provided with other available information in order to detect crime or to protect public funds in other ways as provided by law.

- 4.30 The preliminary and ancillary fees and charges associated with the provision of assistance will attract an additional 100% grant (ie it will be added to the maximum grant limit). These fees and charges are as follows:
- ◆ In-house grant agency services (pre-inspection, assisting with grant application producing specification of works, drawings and inviting tenders). Remaining with homeowners will be the award of contracts, and the supervision of works. The level of fees charged will be determined separately and reviewed annually.
 - ◆ Private architects and surveyors or home improvement agencies with recognised qualifications and experience.
 - ◆ Loan administration costs.
- 4.31 The Authority's existing Registered Builders Scheme will be continued. The provision of Housing Assistance will now be restricted so that applicants can only use registered contractors or are members of the Government's Quality Mark scheme. The Government's Housing Renewal Guidance recognises that such schemes bring significant benefits including improved customer care, good health and safety practices and minimising fraud and financial irregularities (eg tax and VAT payments).
- 4.32 To minimise the risk of fraud applicants will not normally be allowed to submit estimates for themselves or members of the same family. In such cases applicants will be eligible only for assistance in purchasing building materials.

- 4.33 Payments of Housing Financial Assistance will normally be on full completion of works with the discretion to make stage payments for actual work undertaken resting with the authority. To safeguard against fraud payments the Authority retains the option to pay the contractor directly, however, the authority also reserves the right to make payment to the applicant.
- 4.34 General conditions will be attached to all approvals and these are set out in Appendix 4. They include:
- the completion of works within 12 months;
 - the works being completed by an approved contractor whose estimate accompanied the application;
 - owners entering into a contract with the Council to repay grant in accordance with the Council's policy for repayment where breach of conditions occur.
 - the premises remaining owner/occupied (or rented if a landlord application) for at least 5 years from satisfactory completion of works;
 - the requirement for energy efficiency surveys and works (ie to increase uptake of the Government's Warm Front assistance/grant); and
 - properties to be both insured and maintained.
- 4.35 Breach of the conditions will result in the Housing Financial Assistance being recovered in full (ie both grant and loan), together with interest on both. Repayment of the grant element will be in accordance with the scheme set out in Appendix 5, reducing by 20% per annum after the first anniversary of the issue of the completion certificate. There will be no waiver of the loan, this is public money which is to be recycled to assist others.
- 4.36 Both the grant and loan provided will be registered as a charge on the property. Reducing the priority of the charge or removing the charge will only be undertaken in exceptional circumstances set out in Appendix 5.
- 4.37 Successive applications for housing assistance at the same property or by a household will not normally be considered. This is to ensure that:
- public resources are fairly distributed to as many households as possible;
 - owners take responsibility for maintaining their own property; and
 - when purchasing another property, the household make provision for carrying out essential works.

- 4.38 The entire policy operates on the principle that no assistance or action other than enforcement action, will be taken that might interfere with a home owner's property without their express agreement. Indeed within the resources available and having due regard to the nature and extent of problems in the Borough the Council is using its reasonable endeavours to assist home owners in resolving housing problems. Without prejudice to this generality to further protect human rights an appeal mechanism is proposed (see appendix 6) to deal with cases which exceed the financial limits, grievances on grant/loan refusals (including application falling outside the policy) and refusals to waive repayments. The framework is based on the current mechanism which was approved on 15 July 1997 by the then Housing (Private Sector Strategy) Sub-Committee. Grievances will initially be considered by the Director of Environmental Health and Consumer Protection (Director of Community Services on 1 April 2004) but where unresolved the Department and the applicant will have the right of Appeal with a panel or Committee determined by the Council.
- 4.39 The Housing Financial Assistance policy and processes will be administered by the Environmental Health and Consumer Protection Department. (renamed Community Services on 1 April 2004). The Council and the Department are committed to equal opportunities and promoting community cohesion. The Department aims to achieve Equality Standard Level 3 by December 2004. Equality measures will include approving grants on the basis of need with particular sensitivity to the most vulnerable such as older people and people with disability. Other measures include:
- literature including text in the main non-English languages which are spoken within the Borough;
 - providing interpretation whenever it is needed, and
 - monitoring of uptake by Black and Minority Ethnic households.
- 4.40 The policy took effect on the 18 July 2003. Following a review the amended policy takes effect on 1 February 2004. The Council will undertake further reviews of the policy at least once every 5 years. The next review is planned for 2006/07. The Council may need to review the policy at an earlier date where:
- there is a change in Government policy,
 - there is a change in resources available,
 - housing need, stock condition or market factors change,
 - service demands exceed resources, or
 - in other circumstances which materially affect the Council's housing strategy or policies.
- 4.41 The policy was reviewed in November and December 2003 and the Council has since amended the policy to provide relocation assistance.

KEY POINTS

- The policy framework for providing Housing Assistance continues the existing approach which targets the most vulnerable low income households living in unfit homes, people with disability, Clearance and Renewal Areas, empty homes and home security measures.
- Housing Assistance will not normally be provided to landlords (private or social rented) for flats over shops, energy conservation, conversions/extensions and houses in multiple occupation. Landlords and tenants would also not be eligible for Home Fitness Assistance but consideration will be given to the other forms of financial assistance subject to landlords being members of an accreditation scheme recognised by the Council.
- The approach to mandatory Disabled Facility Grants and Slum Clearance are mandatory legal frameworks and no policy changes are proposed at this stage.
- The seven main forms of financial Housing Assistance are:
 - Home Fitness Assistance targeted at unfit dwellings occupied by specified vulnerable low income owner occupied households subject to a £6,000 maximum. An additional “top up” loan normally up to £4,000 may be made available in exceptional cases.
 - Hospital discharge assistance targeted at specified vulnerable low income owner-occupiers living in unfit dwellings needing urgent repairs, a one-off £2,000 grant assistance.
 - Renewal Area Assistance (“face lift” schemes) for improving externally blocks of properties in Renewal Areas. The maximum assistance will be a grant and loan on a ratio of 90% grant and 10% loan plus fees.
 - Empty Homes Assistance for bringing empty homes into use subject to a maximum of £10,000 grant and £10,000 loan per property (restricted to the successful bidder under the Empty Homes Challenge Fund).
 - Discretionary Disabled Facility “top up” loans in certain cases where the costs of essential works on a mandatory Disabled Facility Grant exceeds the statutory maximum (currently £25,000) subject to a maximum loan of £10,000 (or £20,000 in exceptional cases).
 - Disabled Persons assistance to compliment the Mandatory Disabled Facility Grant which gives the Council a range of options to meet essential needs whilst making the best use of public resources. Access to the assistance is restricted to cases determined by the Council. The assistance includes:
 - home loss and disturbance payments to encourage tenants of social housing to move from adapted homes (up to £4,000 grant);
 - gap funding grants of up to £25,000 to registered social landlords to carry out essential works on dwellings they have acquired or released to assist in exceptional cases.

- Slum Clearance Relocation Assistance in areas identified by the Council where assistance is appropriate above the compensation payable for the acquisition of homes. Typically for assisting in land assembly and retaining communities in a neighbourhood.
- The Housing Assistance for Home Fitness Assistance and Empty Homes Assistance will normally be a combined grant/loan on the ratios of:
 - 90/10 for owner occupiers in Renewal Areas,
 - 75/25 for owner occupiers outside Renewal Areas,
 - 50/50 for Empty Homes Challenge Fund and private landlords.
- Grants provided under Housing Fitness Assistance are subject to a means test based on that used for Mandatory Disabled Facility Grants.
- In cases of owner occupiers in hardship living in low equity properties a means tested grant of up to 100% will be available as an alternative to the 75/25 combined grant/loan.
- Simple capital appreciation loans will be offered by the Council. These will be secured on the title of the property with:
 - low interest charges, and
 - the loan and interest being repaid on sale or disposal of the property (along with the grant if the sale or disposal is within 5 years of completion of works).
- Procedures and processes include a rapid assessment of initial enquiries and minimising the risk of fraud and appeals.
- Conditions will be attached to all financial assistance including only using registered builders, the requirement to improve energy efficiency and the recovery of the financial assistance where a breach of conditions occurs.
- Successive applications will not normally be considered.
- Mechanisms are continued which deal with requests to waive or reduce repayment of assistance and grievances/appeals.

5. CONSULTATION, ADOPTION, IMPLEMENTATION AND RESOURCE IMPLICATION

This section explains the timetable for consultation, adoption and implementation of the policy framework for providing housing assistance together with the resource implications. With a planned implementation date of 18 July 2003, this section also sets out a policy for dealing with outstanding grant enquiries and applications

- 5.1 The development of the current Private Sector Housing Strategy involved extensive consultation. For the changes to the policy framework for the provision of Housing Assistance the following targeted approach was taken. Further consideration was undertaken on the revised policy.

<u>Consultation</u>	<u>Planned Date</u>
Corporate consultation – draft report to relevant Council departments	December 2002
↓	
Consultative document considered by Regeneration Panel	January 2003
↓	
Presentation to Housing Partnership	January 2003
↓	
Consultative document to stakeholders	January 2003
↓	
Press release inviting comments/published on Website	January 2003
↓	
Feedback to Regeneration Panel	May 2003
↓	
Cabinet	May 2003
↓	
Formal Public Notice	June 2003
↓	
Full copy of policy at: Wigan Town Hall Kennedy House, Leigh	18 July 2003 (Policy Implemented)

5.2 The revised policy will be introduced on the 1 May 2004 and will not be retrospective.

5.3 Having recognised early the potential for the policy change to disrupt the Council's existing housing renewal programmes, on the 17 October 2002 Council's Cabinet approved interim arrangements. These related to owner-occupiers who were already in the existing grant system whose grant had not been approved by the date at which the new Housing Assistance policy framework is introduced (ie 18 July 2003).

5.4 The policy approved was that **subject to resources being available**

- a) **the current renovation grant policy be continued until at least 1 April 2004 in existing Renewal Areas, for owner occupiers who were resident in the area prior to 1 October 2002, but with a view to further extending the current policy until 1 April 2005 if resources for renovation continues at the same or similar level;**
- b) **the current grant policy assisting vulnerable people living in unfit houses be continued for any full grant application received prior to the introduction of the new policy in 2003; and**
- c) **the policy being reviewed annually.**

All such grants to be subject to the conditions set out in the new Policy Framework (Section 4).

5.5 The resource provision has been reviewed and as at December 2003

- the allocation for 2004/05 is £4.7 million and possible allocation for 2005/06 is £4.4 million,
- existing commitment is high at just over £2 million, and
- there are waiting lists.

The conclusion in May 2003 was that the only transitional arrangement will be for full grant applications received but which had not been approved by 18 July 2003 – these would be approved under the original framework should the owner so wish. This approach has enabled waiting lists to be tackled much quicker. Various members of the Renewal Area residents steering groups have been consulted and support the approach which will speed up improvements in the Renewal Areas and enable more people to be assisted. Letter will be sent to all people on the waiting list to explain the policy change.

5.6 The policy framework is designed to be met within existing resources and, over time, provides for repaid loans to be recycled into housing renewal. The main features are:

- The new policy framework is more cost effective whilst achieving the same objectives. Typically in the current Pagefield Renewal Area house renovation grants are averaging just over £10,000 per property. Under the revised policy unit costs are estimated to average £9,000 per property plus the loan element will be recovered.

- The grants/loans expenditure is effectively limited by the policy which can be further restricted to reflect available resources;
- The expenditure programme is determined annually having regard to the capital resources and revenue/staff resources available; and
- The new framework partly replaces grants with loans which are recovered and recycled.

5.7 The Regulatory Reform Order makes provision for the Secretary of State to pay and recover contributions towards local authorities' expenditure in relation to Housing Financial Assistance (made under Article 3). This has previously been a contribution towards the Council's capital expenditure and with a 60% exchequer grant for DFGs.

KEY POINTS

- The consultation will include Council Departments, Councillors, the Housing Partnership and stakeholders.
- The draft policy will be published in January 2003 inviting comments from the public with a view to introducing the policy on 18 July 2003.
- Due to the limited resources available and high commitment/demand the only transitional arrangements will be for full grant applications received but not approved by 18 July 2003.
- The new framework is designed to be met within existing resources and provides for loans to be recycled. The policy is also more cost effective and in the Pagefield Renewal Area average unit costs are predicted to fall from just over £10,000 per property to £9,000.

Appendix 1: The Borough's Private Sector Housing, Key Facts
(Source – Housing Condition Surveys 1996 and 2000)

<u>STOCK PROFILE</u>	<u>1996</u>	<u>2000</u>	<u>KEY FINDING</u>
Private Sector Stock	90,141	99,709	Increase reflects high new build and "under counting" in 1996
Tenure			
- Owner occupied	95%	92%	Large increase
- Private rented	3%	6%	
- Housing association	2%	2%	
Age of Stock			
Pre 1919	29%	27%	
1919-1964	29%	28%	
Post 1964	42%	45%	
Building type			
Terrace	36%	33%	
Semi detached	50%	45%	
Detached	13%	20%	
Flats	2%	3%	
Empty Houses			
- Total	5%	3%	Improving position despite new build
- Long-term (6 months+)	1.25%	0.5%	
<u>UNFITNESS AND DISREPAIR</u>			
Unfitness			
- Total	8%	5%	Significant improvement
Fitness rate in terraces	12%	11%	High
Fitness rate in private rented	16%	15%	Below national average
Costs to make fit only	£11.8m	£15.5m	Less unfit but more costly to remedy
Costs to make fit and urgent repair	£49.4m	£48.5m	Stable – ie. not deteriorating
<u>SOCIO-ECONOMIC FACTORS</u>			
Resident in home for 10 years plus	60%	53%	
Household Income under £7,500 pa	40%	46%	Marginal increase – still many on low incomes
Income Support	5%	4%	
Disability or long term illness in household	6%	11%	Fitness rate was 12% (ie. above the Borough average)

<u>STOCK PROFILE</u>		<u>1996</u>	<u>2000</u>	<u>KEY FINDING</u>
<u>ENVIRONMENT</u>				
Visual Quality	Best	8.1	5.7	Some deterioration
	Average	90.3	91.7	“Street Scene” problems
	Poor	1.6	2.8	Eg road/pavement maintenance

SECURITY MEASURES (New Area)

Deadlock to front door	-	81%
Door chain	-	29%
Window locks	-	76%
Burglar alarm	-	58%
Percentage burgled in last 3 years	-	4.6%
Percentage car crime in last 3 years	-	10.2%

ENERGY EFFICIENCY

“Poor” energy rating (SAP under 40)	58%	26%	Major improvement. 61% of unfits have SAP under 40
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HOMES OF OLDER PEOPLE

Homes Defective	7.7%	(Borough average 4.8%)
Poor energy rating	45%	(Borough average 30%)

Appendix 2 – Fitness Enforcement Policy

1. The policy follows guidance given by the Secretary of State for the Environment under section 604A of the Housing Act 1985 (the 1985 Act) and section 85 of the Housing Grants, Construction and Regeneration Act 1996 (the 1996 Act).
2. **The policy sets out what the Council will have regard to** in deciding for the purposes of sections 189, 264, 265 and 289 of the 1985 Act and sections 81 and 84 of the 1996 Act whether the '**most satisfactory course of action**' in respect of premises that have been identified as unfit for human habitation is:

Repair

- that is the service of a repair notice in accordance with section 189(1) or (1A) of the 1985 Act; or

Deferred action

- that is the service of a deferred action notice in accordance with section 81 of the 1996 Act; or
- the renewal of a deferred action notice in accordance with section 84 of the 1996 Act; or

Closure

- that is the making of a closing order in accordance with subsection (1) or subsection (2) of section 264 of the 1985 Act; or

Demolition

- that is the making of a demolition order in accordance with subsection (1) or subsection (2) of section 265 of the 1985 Act; or

Clearance

- that is the declaration of the area in which the premises are situated to be a clearance area in accordance with section 289 of the 1985 Act.

3. Under section 97 of the 1996 Act the authority is also required to have regard to guidance given under section 604A of the 1985 Act and section 85 of the 1996 Act in deciding whether completion of the relevant works for which housing renewal assistance is sought is the most satisfactory course of action. For that purpose the authority will treat this policy on the service of a repair notice as policy for the completion of the relevant works.
4. In any fitness enforcement action the authority will comply with its Enforcement Policy to ensure cases are dealt with in a fair, open and consistent manner.

Charging for fitness enforcement

5. Under section 87 of the 1996 Act the authority will continue to make a reasonable charge of up to £300 (the maximum permitted) as a means of recovering certain expenses incurred in:
 - serving a repair notice (under sections 189 and 190 of the 1985 Act);
 - serving or deciding to renew a deferred action notice;
 - making a closing or demolition order.

The charge will be waived in cases of financial hardship (ie people in receipt of a means tested benefit), in cases involving vulnerable people and exceptional circumstances (eg a major disaster).

IDENTIFYING THE NEED FOR ACTION

6. The **housing fitness standard** (section 604 of the 1985 Act as substituted by paragraph 83 of schedule 9 to the Local Government and Housing Act 1989) sets out the standard for determining whether premises are fit for human habitation. There are a number of ways in which unfit premises might come to the attention of the authority. These include:

- as a result of a Neighbourhood Renewal Assessment (NRA) carried out with a view to declaring a renewal area;
- as a result of a request for enforcement action to be taken on premises (e.g. from a tenant or the owner of an adjoining property);
- as a result of an application for housing renewal assistance.

On identifying an unfit property the authority is statutorily obliged to consider the 'most satisfactory course of action' to deal with it.

Pre-formal enforcement action procedures

7. While formal fitness enforcement action is a necessary and important part of the enforcement process, it should generally be viewed as a last resort. In going about their private sector renewal activities where the authority identifies premises that while not unfit are likely to become so in the future unless remedial action is taken, the authority will normally consider the case for drawing this informally to the attention of the owner or landlord as the case may be.

8. Where the authority has expressed an informal opinion it will normally provide a written explanation if requested by the owner or landlord. Such written explanation would include an explanation of:

- the remedial action which in the authority's opinion is needed and the timescale in which the authority considers such action needs to be taken;
- why the authority considers remedial action needs to be taken and the nature of the enforcement action the authority might be required to take in the future if the premises become unfit, including the right to make representations before, and the right of appeal against such action.

9. The authority's pre-formal enforcement procedure will be discharged through the Housing (Fitness Enforcement Procedures) Order 1996. This is designed to improve the transparency of the enforcement process through the issuing of a "minded to take action notice"; to help the local authority reach sensible decisions with owners and landlords by giving them the right to make representations; and to help reduce the burden that can arise from having to take formal enforcement action.

10. The authority will act in the way specified in the order, but the order provides that local authorities are not **prevented from taking immediate enforcement action in any case where such action appears to them to be necessary**. This broad exemption recognises the need for local authorities to be able to take immediate enforcement action. Such decisions will only be taken by the authority in the light of the circumstances of each case. While those circumstances will inevitably vary, examples where immediate action might be warranted include:

- where an authority considers there is imminent risk to the health and safety of the occupants of the premises;
- where an authority has followed pre-formal enforcement procedures with the owner or landlord on previous occasions and considers that to repeat the 'minded to take action' notice procedure set out in the Housing (Fitness Enforcement Procedures) Order 1996 would amount to an unreasonable duplication of effort.

Formal action

11. In deciding the most satisfactory course of action the authority will have regard to a wide range of factors. Wherever possible decisions should be made within the context of the local authority's private sector renewal strategy, policy for providing housing assistance and taking account of the views and circumstances of those directly affected by any decision taken. Part of this will involve making an assessment of the effect of various courses of action in the context of the area in which the unfit premises are situated. The size of the area and the number of properties the authority chooses to take into account for this assessment will depend on the premises concerned and the characteristics of the associated housing stock. In some cases it may be sufficient to assess the immediate vicinity of the premises. In others consideration of several streets or a neighbourhood may be appropriate. There will also be cases where such assessments prove impracticable – e.g. where the unfitness is so serious that immediate action is required.
12. **Whatever the circumstances, the authority has to satisfy itself that a fitness enforcement decision represents the most satisfactory course of action. The authority will be able to provide reasons for that decision and be able to demonstrate that it has had regard to the Government's Housing Renewal Guidance in reaching a decision.**

Information requirements and initial assessment

13. The local authority will endeavour to obtain sufficient information to enable it to undertake an initial assessment of the alternative courses of action using the Neighbourhood Renewal Assessment (NRA) method. This is primarily designed as an aid to deciding strategies for larger scale areas
14. The NRA method helps to:
 - decide the most satisfactory course of action in the prevailing circumstances; and
 - explain the chosen course of action to those directly affected; to a county court in the case of an appeal; or to an inspector at any public local inquiry on compulsory purchase orders in a clearance area.
15. The basic steps for the NRA that will be used by the authority in the assessment of unfit dwellings are set out in the Government's Housing Renewal Guidance. These steps are the same whether they are being used to assess a single unfit dwelling or whether a renewal area is being considered. However the scope and scale of the assessment will differ. Where it is used for a single unfit dwelling most of the information required is likely to be available to the authority and the NRA process becomes more of a checklist to ensure that all relevant costs and issues have been considered in coming to a decision on the most satisfactory course of action. The scope of the assessment normally increases the more properties there are to be considered.

16. Where the NRA is being used for single unfit premises the neighbourhood to be considered may include:
- a single unfit property;
 - a terrace, part of a terrace or block;
 - more than one terrace, or other group of dwellings if the unfit premises are in a neighbourhood of properties in similar condition.
17. The purpose of carrying out a NRA for unfit premises is to ensure that:
- economic, social, and environmental factors are taken into account in determining the most satisfactory course of action;
 - the long term consequences of action are considered;
 - the action on the unfit premises takes into account the effect of that action on neighbouring premises.

The unfit premises to be assessed may be included within a declared Renewal Area or within the boundaries of the NRA for a potential Renewal Area. Here the neighbourhood will be that of the Renewal Area itself and the action on the unfit property will be part of the overall strategy for the area. The assessment of options for the unfit premises will therefore be undertaken in the context of the NRA for the Renewal Area.

18. Although action on the unfit premises is being considered as part of the strategy for the Renewal Area, using information obtained as part of the NRA, it is possible that further information will be needed. This may occur as internal inspections will not have been made on all properties in the area. If an external inspection identifies that premises may be unfit then an internal survey will also normally be undertaken. Full surveys will normally be undertaken on neighbouring properties to establish whether they are unfit as this will influence the most satisfactory course of action.
19. It should not be anticipated that all unfit premises in a Renewal Area will have been identified at the outset. Because not all will have been internally inspected some unfit premises may emerge during the life of the Renewal Area. Others may become unfit during the life of the Renewal Area. In these circumstances the authority will consider the most satisfactory course of action for the unfit premises but the choice will be influenced by the overall strategy for the RA. In these circumstances it should be possible to maximise the information already available from the initial NRA for the Renewal Area. At most it should only be necessary to fill in gaps in information already assembled.
20. In developing alternative options for dealing with unfit premises the authority will normally give equal weight to the socio-environmental factors and the economic appraisal. In undertaking the economic appraisal consideration will be given to both the present and future costs consequences of the options available for dealing with the unfit premises. Again the authority will follow the Government's Housing Renewal Guidance Annex H, Appendix 4 which contains a formula for comparing costs.
21. The formula produces the total costs incurred over 30 years arising from a given course of action and offsets these against the change in the value of the premises arising from each of the actions taken over the 30 period. Costs beyond the first year are discounted to present values. The authority will normally base its costs for year 30 on a further major decision on the future of the dwelling for the following 30 years. The costs included in the formula are total costs rather than those just falling to the public sector. This ensures that decisions are based on an awareness of the overall economics of alternative courses of action and not just on their implications for the public sector.

22. This assessment related to unfit dwellings will only include the unfit premises whose future is being considered. However, it is likely that decisions taken about these unfit premises will impact on neighbouring dwellings and that associated decisions regarding those neighbouring dwellings will be affected by the decision for the unfit premises. Where such an impact is likely the authority will consider working through the economic formula twice –once for the unfit dwellings alone and then again including the other dwellings which may be affected by the decision taken on the unfit premises. This will provide comparisons of the cost implications of each option for the whole group of affected dwellings as well as for the unfit premises alone. The costing used for the whole affected group will not be as detailed as those used for the unfit premises alone.

RELEVANT FACTORS IN DECIDING THE MOST SATISFACTORY COURSE OF ACTION

23. The factors the authority will consider in arriving at a decision on the most satisfactory course of action will vary according to the particular circumstances. The most important ones are set out in the paragraphs that follow. The factors do not have any specific weighting, nor do they represent an exhaustive list. Decisions be based on individual circumstances and the authority will need to take into account any other factors it considers relevant.

General factors relevant to the fitness enforcement options

24. The fitness enforcement options open to the authority are those set out in paragraph 2 of this policy – that is repair, deferred action, closure, and demolition, whether or not as part of a declared clearance area. In reaching a decision on whether any of these options represent the most satisfactory course of action the authority will normally take the results of the initial assessment and then consider:
- each option within the context of their private sector housing renewal strategy and the resources available for taking the strategy forward;
 - the practicality of the options having regard to the physical condition of the premises (eg whether it is practicable to repair or whether the structure is completely outworn) and of any premises onto which they abut (eg within a terrace of houses or a block of flats);
 - the life expectancy of the premises if repaired;
 - the need to take into account the relationship of the premises with neighbouring properties and the condition of those properties;
 - proposals for the future of the area in which the premises are situated, including: whether the premises are within a conservation or renewal area or area which is proposed as a renewal area or whether there are longer term plans for clearance; the need for the particular type of premises both in the short and longer term;
 - the owner(s) and occupants of the premises including their circumstances and wishes and any proposals they may have for the future of the premises;
 - in the case of rented premises, the management record of the landlord;
 - the effect of each option on the community in the area;
 - the manner in which each of the options will affect the local environment and overall appearance of the locality.

25. Factors that are particularly relevant to each of the individual fitness enforcement options are listed in the following paragraphs. In reaching a decision on the most satisfactory course of action the authority will normally have regard to these in addition to the general factors listed in the previous paragraph.

Decision to serve a repair notice

26. In deciding whether to serve a repair notice under section 189 of the 1985 Act, the authority will normally:
- consider, in the case of those likely to qualify for housing renewal assistance, whether the authority should exercise its discretion to provide such assistance;
 - consider the circumstances and wishes of the owner and occupants, including the extent to which they are willing and able to carry out repairs; and the advice and assistance that might be available, or made available, locally to help with that;
 - take into account the suitability of the premises for inclusion in a group repair scheme and the extent to which proposals for the preparation of such a scheme have been developed.

Deferred action notice option – background guidance

27. Section 81 of the 1996 Act enables the authority to serve a deferred action notice on an unfit property where they are satisfied that this is the most satisfactory course of action. Section 81 also provides that a deferred action notice which has become operative is a local land charge so long as it remains operative.
28. A deferred action notice must:
- state that the premises are unfit for human habitation;
 - specify the works which, in the opinion of the local authority, are required to make the premises fit;
 - state the other courses of action which are available to the authority if the premises remain unfit.

The fact that a deferred action notice has been served does not prevent the local authority from taking any other course of action in relation to the premises at any time. The authority may review a deferred action notice at any time and must do so not later than 2 years after a notice becomes operative and at intervals of not more than two years thereafter. The authority must also inspect the premises for the purposes of reviewing a deferred action notice.

29. If on review the authority is satisfied that a deferred action notice remains the most satisfactory course of action as required (section 84 of the 1996 Act) is to renew the notice and serve notice of the decision. There is a right of appeal to the county court against the service or renewal of a deferred action notice (section 83 and section 84(4) of the 1996 Act).
30. The deferred action notice option was introduced:
- to assist authorities in the exercise of their fitness enforcement duties having regard to the discretionary renovation grant system introduced under the 1996 Act;
 - to provide authorities with additional flexibility to develop and implement strategies for tackling the worst private sector renewal problems identified in their areas, having regard to their finite resources;

- to enable authorities to respond more readily to the wishes of those who might not want to face the upheaval that making their homes fit might entail or who might not want to leave their home – in cases where those wishes, when weighed with all the other relevant factors, point to deferred action as being the most satisfactory course of action.
31. These are important and necessary flexibilities that go hand in hand with a discretionary housing renewal assistance system. The authority will use the deferred action notice option sensibly and in relation to the degree of formal enforcement activity the authority is already undertaking. Examples of where the service of a deferred action notice might be appropriate include where unfit premises are in an area designated by the authority for renewal in the future; where the authority wishes to respond affirmatively to an application for housing renewal assistance to make the premises fit but does not have sufficient funds in the current financial year; where the elderly home owner might welcome minor works of improvement but not the upheaval that making the premises fit might entail; where the nature of unfitness is not considered by the authority to be seriously detrimental to the well being of the occupants.

Provision of advice and assistance

32. When serving or renewing a deferred action notice the authority will normally additionally consider whether it would be appropriate – using its powers under section 169 of the Local Government and Housing Act 1989 and Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Reform Order 2002 – to provide the person on whom the notice has been served with practical advice and assistance. Such help might include advice:
- on how to remedy the unfitness problems;
 - on ways that the works might be financed;
 - on how to employ a suitable builder;
 - on agency services which might be able to assist.

Decision to serve a deferred action notice

33. In deciding whether to serve a deferred action notice under section 81 of the 1996 Act, or renew a notice under section 84 of that Act, the authority will normally:
- consider the circumstances and wishes of the owner and occupants of the premises; the extent to which they are able to carry out repairs and the advice and assistance that might be available, or made available, locally to help with that;
 - consider the health and needs of the owner and occupants and the extent to which these might be adversely affected by a deferment of action;
 - consider the physical condition of the premises – eg whether it constitutes an immediate health and safety risk to the occupants;
 - consider the cost and nature of the works required to make the premises fit and whether, in the case of those likely to qualify for housing renewal assistance, the authority is willing, and has sufficient funds, to provide assistance.
34. Whilst no reference is contained in the Government's Housing Renewal Guidance to differentiating between owner/occupied, privately rented or housing association properties, it would appear appropriate to do so.

35. With the latter two sectors (ie private rented and housing associations), Circular 17/96 recognises responsibility for maintenance and repair rests with owners and the “majority of landlords are able to fund repairs to the properties they own ...” Also being businesses they should be ensuring their service (ie the provision of accommodation) meets the basic minimum legal standards and if they cannot, then the occupying tenant should not face the consequences (ie living in unhealthy or unsafe conditions).
36. In addition, the widespread use of deferred action notices in the rented sector would have a serious and detrimental impact on the Council’s Housing Strategy in that :
- little progress would be made in improving the 40% of the privately owned stock which is unfit; and
 - yet a significant amount of the Council’s Urban Renewal staff resource would be engaged in serving and reviewing “deferred action” - a very inefficient use of public resources.
37. Accordingly it is proposed in this Council’s Fitness Enforcement Policy that whilst the Deferred Action Notice option should be considered in the rented sector, the authority should take into account the additional factors set out in paragraphs 34 and 35.

Decision to serve a closing order

38. In deciding whether to make a closing order under section 264 of the 1985 Act, the authority will normally:
- 39.
- consider whether the premises are a listed building or a building protected by notice pending listing – where repair is not the most satisfactory course of action, serving a deferred action notice on or closure of a listed or protected building should always be considered in preference to demolition;
 - take account of the position of the premises in relation to neighbouring buildings – where repair is not the most satisfactory course of action and demolition would have an adverse effect on the stability of neighbouring buildings, closure or the service of a deferred action notice may be the only realistic options;
 - irrespective of any proposals the owner may have, consider the potential alternative uses of the premises;
 - take into account the existence of a conservation or renewal area and proposals generally for the area in which the premises are situated – short term closure may be an option if the long term objective is revitalization of the area;
 - consider the effect of closure on the cohesion and well being of the local community and the appearance of the locality;
 - consider the availability of local accommodation for rehousing any displaced occupants.
40. A closing order may be made in respect of a dwelling house (section 264(1) of the 1985 Act) or of a building containing flats, some or all of which are unfit (section 264(2)). The factors listed in the above paragraph – and the need to have regard to the general factors referred to earlier – will be as relevant to a building containing flats as to a dwelling house. In the case of the former, however, the authority will normally also consider the condition of the common parts of the building and the proportion of unfit flats compared with fit flats.

Decision to serve a demolition order

41. In deciding whether to make a demolition order under section 265 of the 1985 Act, the authority will normally:
- take into account the availability of local accommodation for rehousing the occupants;
 - consider the prospective use of the cleared site;
 - consider the local environment, the suitability of the area for continued residential occupation and the impact of a cleared site on the appearance and character of the neighbourhood.
42. A demolition order may be made in respect of a dwelling house (section 265(1) of the 1985 Act) or a building containing flats, some or all of which are unfit (section 265(2)). The factors listed in the previous paragraph – and the need to have regard to the general factors referred to earlier – will be as relevant to a building containing flats as to a dwelling house. In the case of the former, however, the authority would normally also consider the condition of the common parts of the building, the proportion of unfit flats compared with fit flats and the reasons why certain flats are unfit.

Decision to declare a clearance area

43. The authority will normally consider the desirability of clearance in the context of proposals for the wider neighbourhood of which the premises form part. In deciding whether to declare the area in which unfit premises are situated to be a clearance area under section 289 of the 1985 Act, the authority will normally have regard to:
- the degree of concentration of unfit premises within the area;
 - the density of the buildings and the street pattern around which they are arranged;
 - the overall availability of housing accommodation in the wider neighbourhood in relation to housing needs;
 - the proportion of fit premises and other, non-residential, premises in sound condition which would also need to be cleared to arrive at a suitable site;
 - whether it would be necessary to acquire land surrounding or adjoining the proposed clearance area; and whether added lands can be acquired by agreement with the owners;
 - the existence of any listed buildings or buildings protected by notice pending listing – listed and protected buildings should only be included in a clearance area in exceptional circumstances and only when building consent has been given;
 - the results of the statutory consultations;
 - the arrangements necessary for rehousing the displaced occupants and the extent to which occupants are satisfied with those arrangements;
 - the impact of clearance on, and the scope for relocating, commercial premises – for example corner shops;
 - the suitability of the proposed after-use(s) of the site having regard to its shape and size, the needs of the wider neighbourhood and the socio-environmental benefits which the after-use(s) would bring, the degree of support by the local residents and the extent to which such uses would attract private investment into the area.

Appendix 3 – Proposed Types of Housing Financial Assistance

1. Fitness Assistance for Vulnerable and Low Income Households Living in Unfit Dwellings

Eligibility criteria include:

- (a) Dwelling being unfit for human habitation (as defined in Section 604, Housing Act 1985 as amended) where repair is the most appropriate course of action.
- (b) Owner occupier living in the dwelling for at least three years where this is their sole dwelling except in Renewal areas (three year rule waived).
- (c) The applicant or a permanent resident of the dwelling is in receipt of a means tested benefit and is either:
 - resident in a Renewal Area; or
 - aged 60 years or older; or
 - a parent or guardian with a child permanently living at the property under the age of 16 years; or
 - limiting long-term illness (confirmed by a medical certificate or GP);
 - 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.

A means tested benefit includes income support, Pension Credit, Working Tax Credit, Council tax benefit (but not the Single Occupancy discount) or Disability Working Allowance.

- (d) Only essential works to make the dwelling fit plus specified home security measures will be eligible for financial assistance.

The maximum grant/loan will be £6,000. The grant element will be subject to a means test. An additional “top up” loan normally up to £4,000 may be made in exceptional cases (eg rebuilding gable walls), subject to the availability of resources to the Council.

Financial assistance will be a grant/loan combination on a ratio of 90/10 in Renewal Areas and 75/25 elsewhere except where there is less than £10,000 equity in the dwelling. In such low equity cases the applicant will have the option of an additional “means tested” grant will be available (using the formula for means testing for Disabled Facility Grants).

In every case the grant element will include an additional 100% contribution to the professional/administrative fee and set up costs for the loan.

Additional conditions attached to approvals include:

- All loans will be secured against the property. Simple interest will be charged from issue of the completion certificate. The interest which has accrued and original loan are repaid on sale or disposal of the property.
- Dwelling remaining in occupation for at least 5 years (with a waiver for exceptional circumstances eg hospitalisation or move into care home – see policy, Appendix 5).

2. Hospital discharge assistance for vulnerable and low income people living in unfit dwellings in need for urgent essential repairs which prevent discharge from hospital

The eligibility criteria and conditions attached to approvals are as “fitness assistance” but may be waived to prevent “bed blocking”. Other variations are as follows:

On eligibility conditions – the additional criteria that the person’s discharge from hospital is prevented by the need for urgent essential repairs, subject to a maximum of £2,000 grant.

On conditions attached to approval will be

- a one-off payment (ie no repeat applications);
- the grant being discounted from any other form of financial assistance sought other than a mandatory disabled facility grant. (For example, a person who had applied for “Fitness Assistance” would have maximum eligible grant/loan reduced by £2,000);
- no “means test” being undertaken but the applicant must be in receipt of a relevant means tested benefit.

(Note: The Council will give priority to the approval of Hospital Discharge Assistance).

3. Renewal Area Assistance (“facelift” schemes)

In Renewal areas the priority on tackling unfit housing and Fitness Assistance will be available as set out in: “1. Fitness Assistance for vulnerable and low income households living in unfit dwellings”. The second priority is to increase market confidence in the area and subject to the availability of resources “facelift” schemes to improve blocks of properties will be available subject to the following criteria.

The onus on progressing rests with the property owners but the Council will take practical steps to facilitate “face lift” schemes. The Council will determine the programme for schemes progressing having regard to the numbers of properties where owners have agreed to proceed and the resources available.

Eligibility criteria include:

- the property is within a declared Renewal area,
- improvement of the block of properties is the most appropriate course of action,
- the face lift scheme is only available for blocks of properties (and not individual properties),
- only external face lifting works determined by the Council plus certain home security measures to be eligible,
- the property is fit for human habitation on completion.

A maximum assistance will be a combined grant/loan of up to £9,000 on a ratio of 90% grant and 10% loan plus fees per property in the scheme. Except private sector landlords where the ratio is 50/50 grant/loan.

Additional Conditions attached to approvals include:

- The grant, loan and repayment and condition for future occupation are as Home Fitness Assistance.
- In every case added to the grant element will be a 100% contribution to the professional/administrative fee and set up costs for the loan.
- All loans will be secured against the property. Simple interest will be charged from issue of the completion certificate. The interest which has accrued and original loan are repaid on sale or disposal of the property.
- Dwelling remaining in occupation for at least 5 years (with a waiver for exceptional circumstances eg hospitalisation or move into care home – see Appendix 5).

4. Empty Properties Challenge Fund – Empty Homes Assistance

Eligibility criteria include:

- Applicant is the successful bidder under Empty Homes Challenge Fund and is adhering to the conditions and criteria of the fund.
- Property is currently empty and is in need of repair and improvement.
- Eligible works are the necessary to make fit, substantial repairs and home security measures.

Additional Conditions attached to approvals include:

- The maximum being £10,000 grant and £10,000 loan.
- Financial assistance will be a grant/loan combination on a ratio of 50:50.
- The grant element will include a 100% contribution to the professional/administrative fee and set up costs for the loan.
- All loans will be secured against the property. Simple interest will be charged. The original loan together with the accrued interest is repaid on sale or disposal of the property.
[NB: Should affordable housing become an issue then to vary the Challenge Fund to enable our partner to sell to first time buyers who were in occupation of the house for 2 years or more with:
 - a) a discount or waiver of grant repayment,
 - b) roll over of the loan into a low cost mortgage.]
- Partner to be responsible for redecorating and providing both central heating and home security measures.

5. Discretionary Disabled Facility Housing “Top-up” Loan Assistance

Eligibility criteria include:

- Normally restricted to persons eligible for a mandatory Disabled Facility Grant and where:
 - the essential works determined by the Council have exceeded the statutory maximum grant limit (currently £25,000) and additional assistance is needed to carry out essential work;
 - no option for alternative housing exists (see 6 Assistance for Relocation and Purchase);
 - this is a first time application (ie no previous housing financial assistance or Disabled Facility Grant has been provided);
 - in cases involving accidents the applicant has been unable to secure emergency or an interim settlement; and
 - case of hardship where the applicant and the household's financial circumstances are such as to prevent them from securing a commercial loan.

Additional Conditions attached to approvals include:

- Financial assistance above the £25,000 maximum DFG will be in the form of a loan which will be secured against the title of the property in the case of owner occupiers or Registered Social Landlords.
- The maximum additional loan will be £10,000 (or £20,000 on appeal where the applicant is able to evidence exceptional circumstances).
- All loans will be secured against the title of the property. Simple interest will be charged from the issue of the completion certificate. The interest which has accrued and the original loan are repayable on sale or disposal of the property.
- In cases involving an insurance claim or compensation, the loan together with accrued interest to be repayable with full interest on settlement of claim.

6(a) “Home Loss and Disturbance Allowance”

Eligibility Criteria

- Existing tenant in a Council house or housing association dwelling adapted where those adaptations are no longer required and Wigan Council has identified the need for the dwelling to meet the needs of a disabled person requiring essential adaptations where it is not practicable to adapt that person's existing dwelling. “Not practicable” involves cases of statutory overcrowding, unfitness where the most appropriate course of action is demolition or there is the potential to optimise the use of public resources.
- Existing tenant voluntarily undertaken to move to suitable alternative accommodation offered by the Council, through its agent (Wigan and Leigh Housing) or a registered social landlord.
- The disabled person requiring the essential adaptation accepting the adapted dwelling.

Conditions attached to the assistance:

- Home loss and disturbance allowance of £4,000 payable on tenant moving into the alternative accommodation within a specified time period set by Wigan Council's agent (Wigan and Leigh Housing).

6(b) Housing Association Adaptation Grant

Eligibility Criteria:

- A Registered Social Landlord who owns or acquires an adapted dwelling for disabled person(s) to assist Wigan Council deal with the identified need for an alternative dwelling to meet the needs of a disabled person(s) requiring essential adaptations where it is not practicable to adopt that person's existing dwelling "Not practicable involves cases of statutory overcrowding, unfitness where the most appropriate course of action is demolition or there is the potential to optimise the use of public resources.
- The works of adaptations are essential and would have been assisted under a mandatory Disabled Facility Grant.

Additional Conditions attached to approvals include:

- Financial assistance grant to be "gap funding" to meet the difference between the cost of the scheme and Housing Corporation funding subject to a maximum grant of £25,000.

6(c) Relocation of Persons eligible for Mandatory Disabled Facility Grant

On adaptations, the Housing Needs Survey reveals a mismatch between adapted houses and where people with disability live. With a significant proportion of the social sector stock adapted it is appropriate to utilise these inappropriately deployed public assets.

Disabled Persons Relocation Assistance

On assistance with disability, a range of policy options have been developed to assist people eligible for mandatory Disabled Facility Grants ("DFG") to live in a property with essential adaptations covered by the "DFG" grant regime. The assistance is not for assisting people to simply enter into home ownership or upgrade their accommodation for other reasons.

Unlike mandatory Disabled Facility Grants the range of options are discretionary and are not available on demand from residents. They represent a range of options the local housing authority will have available primarily to enable it to cost effectively discharge its duty on adaptations through the mandatory "DFG" regime and to optimise the use of adapted public sector dwellings. The local authority will consult clients on the most appropriate options it considers appropriate to the case.

The options are set out in order of preference with the aim striking a balance between the needs of an individual and optimising public resources (ie of both existing adapted housing and financial assistance). The order of preference being applied is as follows:

1. Mandatory Disabled Facility Grant only.
2. Home loss and disturbance allowance
3. Housing Association adaptation assistance.
4. Mandatory Disabled Facility Grant and discretionary Disabled Facility "top-up" loans (see earlier).
5. Disabled Persons Relocation Assistance.

Financial assistance for the relocation of a disabled person from the current home to a suitable alternative home not in the social sector will only be considered as an option of last resort and where exceptional circumstances exist. Examples might be in cases of statutory overcrowding where the house is unfit and the most appropriate course of action is demolition or the potential for significant savings to the public purse.

Eligibility Criteria:

- the person is eligible for a mandatory Disabled Facility Grant;
- the criteria of Sections 19 to 22 of the Housing Grants, Construction and Regeneration Act 1996 are met;
- essential adaptations are required as set out in Section 23 of the 1996 Act and government guidance;
- works to the existing property are not practicable and involve excessive public expenditure;
- no option for alternative social housing exists;
- existing owner-occupier where the level of equity exceeds outstanding debts (eg mortgages) by a sufficient margin to support a further loan (ie avoidance of negative equity);
- case of hardship where applicant and the household's financial circumstances are such as to prevent them from securing a commercial loan;
- a first time application (ie no previous housing financial assistance or Disabled Facility Grant has been provided);
- in cases involving accidents, the applicant has been unable to secure emergency or an interim settlement; and
- the property being acquired meets the client's long-term needs and the purchase price and cost of any adaptations are not excessive.

All assistance will be subject to a means test and will be in the form of:

- a mandatory Disabled Facility Grant for the alternative accommodation but no top-up loan to assist with works for any adaptation above £25,000 where relocation assistance is being provided, and
- a maximum relocation loan of £10,000 (or £20,000 on appeal where the applicant is able to evidence exceptional circumstances) to assist with the purchase of suitable alternative accommodation. The loan to be solely used for the acquisition of the dwelling and not for any other purpose such as improvements, repairs or refurbishment.

Additional conditions attached to approvals include:

- All loans will be secured against the title of the property. Simple interest will be charged from the issue of the completion certificate. The interest which has accrued and the original loan are repayable on sale or disposal of the property.
- In cases involving an insurance claim or compensation, the loan together with accrued interest to be repayable with full interest on settlement of claim.

7. Market Renewal Assistance – Clearance Areas and Areas of Low Demand

The House Condition and Housing Needs surveys have identified the need for continued clearance of inappropriate, obsolescent housing and areas at risk of market failure. Intervention will be required and financial assistance in the form of "Market Renewal Assistance" is in addition to any compensation for the acquisition of the property and would be helpful in:

- securing owner's support to clearance,
- assisting in "land assembly", and
- retaining local communities within a neighbourhood.

The availability of this Assistance will be restricted to areas identified by the local authority as being appropriate for the use of this form of assistance and where the authority deems it appropriate to achieve its objectives for the area – such as assisting in land assembly or addressing an affordability gap. Typically there will be areas of low demand sub-standard pre-1919 terraces.

Eligibility Criteria

- normally an owner-occupier’s only residence for at least one year prior to the declaration of a clearance area or Renewal Area,
- dwelling normally located within or adjoining a clearance area, and the Council has acquired or proposes to acquire the property,
- strong and demonstrable need for the household to remain in the area (eg key public sector worker, education or health care),
- the new property being within an area defined by the local authority (eg a Clearance Area, Renewal Area or regeneration scheme) and being suitable, in a reasonable condition of the right size and a price acceptable to the authority, and
- the household is unable to secure a commercial loan.

The assistance will not be used as a general top-up to enabled the purchase of the new dwellings being constructed or renovated as part of the area based renewal. The assistance will be in the form of either a “home-swap”, and/or a grant and/or low cost loan depending on the levels of equity and house values (existing and new) and a household’s financial means. Based on our past experiences of compensation for slum clearance and taking into account values of suitable replacement properties the following maximum limits are set where “home-swap” is not used:

<u>Number of bedrooms in new property</u>	<u>Maximum level of Assistance</u>
2 bedrooms or less	£10,000
3 bedrooms	£12,000
4 bedrooms or more	£14,000

All applicants will be subject to a means test and the level of assistance provided will be calculated as shown in the two examples.

Example A

An applicant with no means tested contribution who needs a 2 bedroom dwelling.

Compensation £30,000	Cost and value of new home	£42,000
Home Loss £3,000	Less total compensation	£33,000
Maximum assistance £10,000	Less means tested contribution	0
	Less Market Renewal assistance	<u>£9,000</u>
	Balance	£0

The maximum amount of assistance in accordance with the sliding scale would be £9,000. In this case the compensation and home loss left a shortfall of £9,000. The Market Renewal Assistance could well be simple capital appreciation loan since there would be spare equity in the new house.

Example B

Applicant with a means tested contribution of £4,000 who is in need of a 3 bedroom dwelling.

Compensation £30,000	Cost of new home	£44,000
Home Loss £3,000	Less total compensation	£33,000
Maximum assistance £12,000	Less means tested contribution	£4,000
Actual assistance £7,000	Balance	£7,000

The maximum amount of assistance available in accordance with the sliding scale would be £12,000 for a 3 bedroom house, but in this example, assistance would be limited to £7,000 because that is the balance needed to purchase the new housing having regard to the cost of the new house, the total compensation paid and the applicant's means tested contribution. Where slum clearance is not payable the Council will consider offering a combined grant/loan subject to the grant being the equivalent to the compensation the owner would have been eligible for if the property was included in the area plus assistance in the form of a loan as set out in this policy based on the number of bedrooms in the new property.

Additional conditions attached to approval:

- All Market Renewal Assistance, clearance compensation and home loss disturbance payments must be reinvested into the new or renovated property.
- All loans will be secured against the property. Simple interest will be charged from issue of the completion certificate. The interest which has accrued and the original loan are repaid on sale or disposal of the property.
- Dwelling remaining sole and main residence for at least five years (with a waiver for exceptional circumstances – see Appendix 5).

IMPORTANT INFORMATION

THE REGULATORY REFORM HOUSING ASSISTANCE ORDER

NOTICE OF GENERAL HOUSING ASSISTANCE CONDITIONS

- 1 It is a condition of payment of every Housing Assistance and/or loan that the eligible works are carried out within 12 months from the date of approval of the application concerned, or such further period as the Authority (Wigan Council) may allow.
- 2 It is a condition of payment that the eligible works are carried out in accordance with the Environmental Health and Consumer Protection Department's Specification of Renovation Works and the detailed specification issued by the Council with respect to the application concerned.
- 3 The payment of housing assistance or part payment of housing assistance is conditional upon the eligible works or corresponding part of the works being executed to the satisfaction of the Authority.
- 4 The payment of housing assistance or part payment of housing assistance is conditional upon the authority being provided with an acceptable invoice, demand or receipt for payment for the works and any preliminary or ancillary services or charges in respect of which the grant or part of the grant is to be paid. For this purpose on invoice, demand or receipt is acceptable if it satisfies the Authority and is **not given by the applicant or a member of his family**.
- 5 It is a condition of payment that the eligible works are carried out by the approved Contractor whose estimate accompanied the application or, where two or more estimates were submitted, by one of those contractors.
- 6 It is a condition of the assistance that the owner shall enter into a contract with the Council to repay the assistance in accordance with the Council's policy on repayments where a breach of conditions occurs.
- 7 It is a condition of housing assistance that if any time within the housing assistance condition period the Authority serve notice on the owner of the house requiring him to do so, she/he will within the period of 21 days beginning with the date on which the notice was served furnish to the authority a statement showing how the condition of occupancy/letting is being fulfilled.
- 8 It is a condition of housing assistance that the applicant takes reasonable steps to pursue any relevant insurance or legal claim applies and to repay the housing assistance, so far as appropriate, out of the proceeds of such a claim.

The claim to which this section applies are:

- a) an insurance claim, or legal claim against another person, in respect of damage to the premises to which housing assistance relates, or
- b) a legal claim for damages in which the cost of the works to premises to which housing assistance relates is part of the claim.

A claim is a relevant claim to the extent that the works to make good the damage mentioned in paragraph (a), or the cost of which is claimed as mentioned in paragraph (b), are works to which housing assistance relates.

- 9** It is a condition of housing assistance that applicant shall forthwith notify the authority of his intention to make a relevant disposal of any dwelling, building or house in multiple occupation with respect to which there is in force, as a housing assistance condition, and shall furnish to the authority any information reasonably requested by them in connection with such notification.
- 10** It is a condition of housing assistance that in respect of an application for Home Fitness Assistance, Block Improvement Scheme Assistance or Empty House Assistance, the Authority may require the applicant to:
- a) carry out an energy efficiency survey of the property, and
 - b) execute such works as the Authority considers practical, cost effective and likely to result in a significant improvement in the energy efficiency of the property.
- 11** It is a condition of housing assistance that where the applicant has an insurable interest in the grant-aided property, he shall arrange and maintain in effect adequate insurance for the property, subject to and with the benefit of the completed works, throughout the housing assistance condition period.
- 12** It is a condition of housing assistance that where the applicant has a duty or power to carry out works of repair to the house assisted property, he shall ensure that, to the extent that his duty or power allows, the property remains fit for human habitation throughout the housing assistance condition period.
- 13** It is a condition of housing assistance that where a Disabled Facility Grant is provided, that adaptations and equipment so funded are returned to the Council where they are no longer required.
- 14** It is a condition of the housing assistance that the applicant shall forthwith notify the authority of his intention to make a relevant disposal of any dwelling, building or house in multiple occupation with respect to which there is in force, as a housing assistance condition, and shall furnish to the Authority any information reasonably requested by them in connection with such notification.
- 15** It is a condition of housing assistance that in the case of a landlords application for a Block Improvement Scheme Assistance, Empty Homes Assistance or Disabled Facilities Grant the Authority shall be entitled to nominate tenants to the property (or a relevant part of the property) throughout the housing assistance condition period.
- 16** In the event of a breach of any of the conditions set out in paragraphs 1 to 11, the Authority may demand repayment from the applicant of a sum equal to the amount of the housing assistance paid together with any interest which may have accrued. The Authority may agree to payment by instalments.
- 17** This communication relates only to housing assistance Approval and does not imply the Council's approval to any other consents which may be required (such as planning permission or Building Regulation consent). It is your responsibility to obtain such other consents.
- 18** These Housing Assistance conditions may only be varied or revoked by the Council with the consent of the person provided with the assistance.

“Housing Assistance” means any assistance provided by the Authority under article 3 of the Regulation (Housing Assistance) Reform Order including any grant or loan or a combination grant/loan.

“Housing Assistance Condition Period” means the period of 5 years beginning with the certified date.

“Certified Date” means the date certified by the Authority as the date on which the execution of the eligible works is completed to their satisfaction.

IMPORTANT:

Please see the reverse side of the Approval document and the certificate of occupation for other specific housing assistance conditions relating to your housing assistance application and approval

APPENDIX 5: Policy for reducing repayment of Housing Assistance, reducing the priority of any registered charge or removing any charge in exceptional circumstances

Process

Any request for:

- reducing the repayment of grant element Housing Assistance,
- reducing the priority of any registered charge on the grant element or loan, or
- removing any registered charge

shall be made in writing prior to any circumstances which may result in a breach of Housing Assistance conditions. No waiver or reduction will be made for any loan provided, this is public money which is intended to be recycled and used to assist others.

The request shall be made in writing to the Service Manager, Urban Renewal Services, setting out any exceptional circumstances that exist.

On the grant element of Housing Assistance repayment will be based on the time elapsed since the Council issued the completion certificate as set out in the table below:

<u>Year</u>	<u>% Repayment</u>
1	100
2	80
3	60
4	40
5	20
6	0

Any person aggrieved with a decision should initially use the Council's formal complaints procedure and the matter will be considered by a senior Council officer. Where a person is still aggrieved then they may use the appeals mechanism set out in Appendix 6.

APPENDIX 6: Procedure for determining appeals – Housing Financial Assistance

The grievance appeals mechanism operates to ensure the Council can demonstrate it has duly exercised its discretion and, in any event, ensure that special cases are given due consideration including those cases which fall outside of the policy. Grievances and appeals where the Director of Environmental Health and Consumer Protection deems there are substantive grounds for exercising discretion and that it should be exercised will have the option to vary from the policy in consultation with the relevant Cabinet member.

The appeals procedure will deal with grievances against waivers (where repayment is due following a breach of conditions) and to a refusal to approve a formal application for Home Assistance. The appeals procedure will not deal with amount of assistance awarded since the amount is effectively determined by:

- Council policy and the means test, and
- a professional and technical evaluation of nature and extent of works required.

All unsuccessful applicants will be notified in writing of grounds of intention to refuse, the availability of the grievance and appeals mechanism and the time limit for grievance or appeal (ie that all grievances or appeals should be submitted in writing to the Director of Environmental Health and Consumer Protection within 21 days of the date of approval or refusal). Any grievance or appeal made outside the time limit will not be considered.

On receipt of an appeal the applicant will thereafter be given a further 21 days in which to submit the grounds for appeal. The Director of Environmental Health and Consumer Protection may also arrange at this stage for a representative to meet with the appellant to clarify facts. In practice the meeting will be with the relevant Principal Officer or the Service Manager.

Initially, all cases should be dealt with as a grievance using the Council's existing procedure for dealing with complaints. The Director shall arrange for a senior officer not involved in the original decision to review the case and advise the applicant of the outcome. The applicant has a further 21 days to then pursue an appeal if they are still aggrieved. Where such an appeal is received the case will be referred to a Council panel.

The Panel hearings will involve the following :

- | | |
|-------------|---|
| Pre hearing | <ul style="list-style-type: none">• Notification inviting applicant to appear in person, advising of format and providing a copy of report.• The applicant is required to notify the Director of Environmental Health and Consumer Protection at least 7 days prior to the hearing that they intend to make oral representation or disagree with the report. |
| Hearing | <ul style="list-style-type: none">• Applicant and Principal Environmental Health Officer/Service Manager invited to the Panel.• Principal Environmental Health Officer/Service Manager presents case (normally 5 minutes).• Applicant presents case. |

The Panel may question either party.

Post Hearing

- Panel considers (in camera) cases and informs officer and applicant of decision verbally.
- Chief Executive notifies applicant of decision in writing and Director of Environmental Health and Consumer Protection thereafter either approves or refuses the Assistance/Waiver as appropriate.

URBAN RENEWAL SERVICE
ENVIRONMENTAL HEALTH &
CONSUMER PROTECTION
DEPARTMENT



CUSTOMER CHARTER

HOUSING ASSISTANCE POLICY

The Urban Renewal Service is committed to providing a fair responsive and cost effective service. The service that you receive will be monitored against a number of challenging performance standards.

❖ **Housing Assistance Enquiry**

*Enquiries will normally be processed and acknowledged within **10 working days**.*

❖ **Specification of Works**

*Specifications will normally be issued within **10 working days** from date of inspection.*

❖ **Grant Approvals**

*Approvals (other than block improvement schemes) will normally be processed and issued within **10 days** of receipt of full application.*

*Approvals for block improvement schemes will normally be issued within **15 days** of tender acceptance.*

❖ **Customer Satisfaction**

80% of customers to be satisfied with the level of service provided.

All applicants to be aware of the Appeal Procedure and the Council Complaint Procedure and how they can be accessed.

(Note: Subject to review and amendment)