



This is an Open Report

Report to: Cabinet

Date: 2 July 2009

Subject: Amendments to the Housing Assistance Policy

Report of: Executive Director of Environmental Services

Contact officer: Anees Mank 01942 733338

Purpose / summary: This report details the proposed amendments to the Council's current Enforcement and Assistance on Housing Renewal Policy in light of the major changes in our housing situation.

Alternative options considered and reason for selecting the one recommended: The alternative would be to retain the current policy. This would not tackle some of our more pressing housing problems. Other variations in policies were evaluated, but again the current proposals look to balance impact and cost.

Recommendation / decision: To consider and adopt the proposed amendments to the Council's current Enforcement and Assistance on Housing Renewal Policy.

Key Decision: This report involves a key decision within grounds 1 and 2.

The decision made as a result of this report will be published within **48 hours** and cannot be actioned until **seven working days** have elapsed, i.e. before 14 July 2009.

This item is included in the Forward Plan.

Risks / Implications:

| | |
|---|---|
| Financial: | Within existing Private Sector Housing Capital Allocation |
| Staffing: | Within existing staffing resources with option to employ two Temporary Officers |
| Policy: | Private Sector Housing |
| Equal Opportunities - Has a Diversity Impact Assessment | Yes |

been conducted?

Wards affected:

All

Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?

No

If yes, have the property implications been agreed with the Corporate Property Officer?

Does this proposal have significant implications for the Council and the local population?

A full diversity impact assessment has been undertaken and is attached as an appendix to this report.

Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?

A diversity impact assessment has been undertaken and is attached as an appendix to this report.

| | |
|---|------------|
| Has the Service Director - Borough Solicitor confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution? | Yes |
| Has the Service Director - Corporate Services confirmed that any expenditure referred to within this report is consistent with the Council’s budget? | Yes |
| Are any of the recommendations within this report contrary to the Policy Framework of the Council? | No |

* delete which applicable

For Cabinet reports only :

| | | | |
|-------------------------------------|----------|-------------|----------|
| Categorisation of the report: | x | | x |
| | | | |
| Discussion leading to a decision | | Discussion | |
| Monitoring | | Decision | x |
| Sharing for corporate understanding | | Information | |

Tracking/Process:

| | Consultation | Ward Members | Partners |
|-------------|---------------------|--------------|----------|
| | | | |
| Panel | Overview & Scrutiny | Cabinet | Council |
| 3 June 2009 | | 2 July 2009 | |

List of Background Papers in accordance with Section 100D of the Local Government Act 1972:

| Title of document | Which meeting did it go to? | Date of meeting | Copy available from? |
|--|-----------------------------|-----------------|---|
| Enforcement and Assistance on Housing Renewal Policy | Cabinet | 29 May 2003 | http://www.wigan.gov.uk/NR/rdonlyres/4B86091F-2F48-45BE-9A4B-6D9607D7F9E9/0/assistance_policy.pdf |

Proper Officer M Kimber

Date 17/06/09

1. Background:

- 1.1 The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 conferred on local housing authorities in England and Wales a new power to improve living conditions in their area. The new power enables an authority to provide assistance to any person for -
- (a) the acquisition of living accommodation, where the authority wish to purchase a person's home or as an alternative to adapting, improving or repairing it;
 - (b) the adaptation or improvement of living accommodation (including by alteration, conversion or enlargement, and by the installation of things or injection of substances);
 - (c) the repair of living accommodation;
 - (d) the demolition of buildings comprising or including living accommodation;
 - (e) the construction of replacement living accommodation to replace living accommodation that has been demolished.
- 1.2 The new power is not exercisable until an authority has adopted and published a policy relating to its exercise of the power. The Council adopted and published its Enforcement and Assistance on Housing Renewal Policy on 29 May 2003, which was subsequently revised on 8 January 2004 and adjusted on 13 May 2004.
- 1.3 This report seeks views on amending the current policy in light of the major changes in our housing situation. In particular, it looks to support the wider changes in our Housing Strategy such as:
- looking to increase and support action on the private rented sector;
 - to look to reduce the numbers of empty homes;
 - try to increase the availability of affordable homes in order to reduce our housing needs imbalances and homelessness problem.
- 1.4 As a result, the proposed changes would support initiatives such as the new private landlord accreditation proposals, the Social Letting Agency (leasing private sector homes) and possible enforcement action on empty homes.
- 1.5 These proposals should also be seen as a first stage in a wider review of our Private Sector Housing Strategy, which will see new proposals coming forward for our area renewal approach.
- 1.6 This report was presented to EECH Scrutiny Committee on 3 June 2009 and it received a generally favourable response. However, the Committee challenged the current fee arrangements for applicants and asked for the position to be clarified (see paragraph 3.12).

2. Current Housing Assistance Policy

- 2.1 The main forms of assistance provided under the current Housing Assistance Policy were Empty Homes Assistance, Home Fitness Assistance, Hospital

Discharge Grant, Market Renewal Assistance and Renewal Area Assistance. Of these the following two are still in active use:

2.2 Home Fitness Assistance

2.2.1 Home Fitness Assistance is available to make homes occupied by vulnerable people meet the Decent Homes Standard.

2.2.2 To be eligible, a permanent resident of the home must be in receipt of certain income-related benefits and, if the home is not in a Renewal Area,

- the home must have been owned and occupied for at least 3 years and
- a permanent resident of the home must be:
 - aged under 16 years; or
 - aged over 60 years; or
 - registered as disabled; or
 - suffering from a long-term illness.

2.2.3 The maximum assistance is £20,000 - the first £6,000 of which is a grant. The remaining £14,000 is provided as:

- a 50% grant and 50% loan combination outside Renewal Areas; or
- a 75% grant and 25% loan combination within Renewal Areas.

2.2.4 The grant element (excluding fees) is repayable on a sliding scale if the applicant ceases to own or occupy the home as their only or main residence within five years of the completion of the works.

2.2.5 The loan element is repayable in full when the home is sold, together with interest charged at a simple fixed rate (which is set at the Bank of England base rate at the beginning of the financial year in which the loan was approved).

2.3 Renewal Area Assistance

2.3.1 Renewal Area Assistance is available for works to facelift the exterior of blocks of homes situated within designated Renewal Areas.

2.3.2 The maximum assistance is £20,000 provided as:

- a 90% grant and 10% loan combination to owner occupiers and accredited landlords; or
- a 75% grant and 25% loan combination to non-accredited landlords.

2.3.3 The grant element (excluding fees) is repayable on a sliding scale if:

- an owner occupier applicant ceases to own or occupy the home as their only or main residence within five years of the completion of the works;
- a landlord applicant ceases to own or let the home within five years of the completion of the works.

2.3.4 The loan element is repayable in full when the home is sold, together with interest charged at a simple fixed rate (which is set at the Bank of England base rate at the beginning of the financial year in which the loan was approved).

2.4 Since April 2004, 482 cases of Home Fitness Assistance and 652 cases of Renewal Area Assistance have been approved. The cost has been met using the Private Sector Housing Renewal Capital Allocation from the Government.

3. Proposed Housing Assistance Policy:

3.1 In order to maximise our impact on bringing empty homes back into use, improving homes occupied by vulnerable people and regenerating areas, it is proposed that all the forms of assistance provided under the policy are amended. Full details of the proposals with the reasons for them are provided in the table in Appendix 1 to this report. However, a summary of the main features of each is provided below.

3.2 Empty Home Improvement Loan

3.2.1 It is proposed that Empty Home Improvement Loan will replace Empty Homes Assistance and will be available to improve long-term (over 12 months) empty homes to Decent Homes Standard, thereby allowing them to be re-occupied.

3.2.2 The empty home must be situated in an area of:
(1) neighbourhood problems;
(2) high demand for that type of affordable housing; or
(3) elsewhere.

3.2.3 The applicant must intend to lease the home to the Council for a minimum period of three years and then continue to do so until the loan is repaid in full.

3.2.4 The maximum assistance is £30,000 provided as an interest free loan, which is repayable in instalments from the lease payments or in full from the sale proceeds if the owner wishes to terminate the lease early and sell the home.

3.2.5 The home will be managed by the Council's Private Sector Leasing Scheme in order to provide affordable housing of the type and location that is in greatest demand, thereby helping to alleviate the high level of homelessness in the borough.

3.2.6 Empty Home Improvement Loans will be offered prior to the taking of enforcement action such as Compulsory Purchase Orders. This will demonstrate that the Council had offered significant assistance to the owner with improving and letting their empty home prior to taking Compulsory Purchase action, which is a factor taken into consideration by the Secretary of State prior to confirming an Order.

3.3 Home Improvement Loan

3.3.1 It is proposed that Home Improvement Loan will replace Home Fitness Assistance and will be available to make homes occupied by vulnerable people meet the Decent Homes Standard.

3.3.2 To be eligible, the home owner must be in receipt of certain income-related benefits and, if the home is not in a Renewal Area, they must have owned and occupied the home for at least three years.

3.3.3 The maximum assistance is £30,000 provided as an interest free loan, which is repayable in full when the home is sold.

3.4 Hospital Discharge Grant

3.4.1 Only one case of Hospital Discharge Grant has been approved since its introduction in April 2004. This is because most potential applicants have opted for Home Fitness Assistance, which provides a higher level of assistance. Consequently, it is proposed that Hospital Discharge Grant be discontinued and potential applicants be fast-tracked for a Home Improvement Loan instead.

3.5 Block Improvement Grant

3.5.1 It is proposed that Block Improvement Grant will replace Renewal Area Assistance and will be available for works to facelift the exterior of designated blocks of homes situated within Renewal Areas, with priority to those on an arterial route. They are designed to have a wider regeneration effect on neighbourhoods, which helps to prevent area decline and abandonment.

3.5.2 The maximum grant is £30,000 for a mid terrace home or £40,000 for a home with a large gable wall.

3.5.3 The grant is repayable when the home is sold with a discount of:

- 20% of the grant value during the first year after payment;
- 40% of the grant value during the second year after payment;
- 60% of the grant value during the third year after payment; and
- 80% of the grant value from the fourth year after payment onwards.

3.5.4 This sliding scale of grant repayment provides a balance between the legitimate needs of residents to move home and the Council's desire to maintain stable communities in areas facing decline.

3.5.5 However, the maximum discount for non-accredited landlords will be restricted to 60% of the grant value from the third year after payment onwards. This is to provide an incentive for accreditation and good quality management of privately rented homes.

3.6 Clearance Grant

3.6.1 It is proposed that Clearance Grant will replace Market Renewal Assistance and will be available to provide additional compensation for the acquisition of a home for clearance in order to:

- secure the owner's support for clearance;
- assist in land assembly; and
- retain local communities within a neighbourhood.

3.6.2 The maximum grant is £30,000, which will be used to make-up the difference between the clearance compensation for the home (based on current market value + business / home loss + disturbance payments) and the purchase price of an equivalent replacement home in the same neighbourhood, or the original purchase price if greater.

3.6.3 This will allow applicants with homes situated in blighted streets or suffering from negative equity to receive sufficient compensation to allow them to purchase an equivalent replacement home in the same neighbourhood.

3.7 Disabled Facilities Grant

3.7.1 Disabled Facilities Grants (DFGs) are still mandatory in nature and most of their terms are set in national legislation.

3.7.2 The maximum grant is £30,000. However, the “Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008” authorised local housing authorities to impose conditions requiring the repayment of such part of the grant that exceeds £5,000 (up to a maximum repayment of £10,000) if the recipient disposes of the premises within 10 years of the certified date, subject to several exemptions.

3.7.3 This condition has been included in the standard application form for DFGs since 22 May 2008 and it is proposed that the condition be enforced for all applications made since that date after disregarding the value of any equipment provided under the grant that is returned to the Council (e.g. stairlifts).

3.7.4 In addition, from 2008-09, the scope for use of DFG funding was widened to support any local authority expenditure incurred under the “Regulatory Reform (Housing Assistance) (England and Wales) Order 2002”. This enables authorities to use specific DFG funding for wider purposes, which may be more appropriate for individuals than previous DFG arrangements allowed. This greater flexibility allows the DFG to be used for associated purposes, such as moving home, where this is a more appropriate solution, or funding can be pooled to purchase portable extensions which are suitable for re-use, or through improved procurement models.

3.7.5 Therefore, it is proposed that the scope of DFGs be widened to include:

- funding towards the purchase of an alternative home that can be adapted more readily, as long as the cost of contributing to the purchase and adaptation of the new home is no greater than adapting the existing home;
- funding towards the purchase of portable extensions, as long as they are likely to be available for re-use within their normal life span; and
- provision of adaptations through joint procurement schemes, as long as they propose to be more cost effective.

3.8 Security of assistance

3.8.1 The Council may take security for the assistance provided, including a charge on the home.

3.8.2 Therefore, the current practice of entering a Restriction on the title of the property at the Land Registry or at the National Land Charges Registry will continue. The Restriction prevents a disposal of the property without the Council’s consent.

3.8.3 In addition, the option of requiring the execution of a legally binding Legal Charge of the property to secure repayment of the assistance will be retained and used in appropriate cases.

3.9 Repayment of assistance

3.9.1 The Council is required to consider an applicant's ability to repay the assistance, both before imposing a condition to that effect and before taking steps to enforce a condition of that kind.

3.9.2 Therefore, with Home Improvement Loans and Block Improvement Grants, the maximum repayment will be capped at the amount of equity available after the repayment of all outstanding mortgages and secured loans that were obtained prior to the approval of the assistance.

3.9.3 However, this provision will not apply to Empty Home Loans, as the applicant must be in a position to repay the loan in full prior to being allowed to terminate the lease with Council.

3.10 Recycling of repayments

3.10.1 All assistance repaid will be recycled in order to provide further assistance under the policy. This will allow these valuable forms of assistance to be maintained in the long term despite uncertain capital allocations from the Government.

3.11 Implementation and transitional arrangements

3.11.1 It is proposed that the new forms of assistance be introduced for all enquiries received from 1 July 2009.

3.11.2 For enquires received before this date, applicants will be given the option to choose between the old or new forms of assistance. However, all old forms of assistance must be approved by 31 March 2010, after which they will be completely withdrawn,

3.12 Fees

3.12.1 Currently, a fee of 12.5%+VAT is charged for processing assistance. This income is used to pay for the bulk of the staffing costs in providing the service. Where there is a shortfall in fee income, the balance is charged to the Private Sector Housing Capital Programme. The rationale to this arrangement being that the majority of staff time is spent in specific grant applications but that elements of the work are advisory or abortive.

3.12.2 The EECH Scrutiny Committee challenged the level of the fees and asked for them to be looked at. Officers are clear that the charges do reflect costs and GM benchmarking shows that overall costs are relatively low.

3.12.3 However, one option available that would both reduce costs to individuals and the amount of administration involved in calculating and processing individual fee transactions would be to charge all staffing costs to the Private Sector Housing Capital Programme in a single transaction at the financial year end.

Given the concerns raised by the Committee, it is proposed to move to such an arrangement.

4. Alternative options considered and reason for the recommended option:

- 4.1 The alternative would be to retain the current policy. This would not tackle some of our more pressing housing problems. Other variations in policies were evaluated, but again the current proposals look to balance impact and cost.

5. Review of the Renewal Area Approach

- 5.1 As stated earlier in the report, a review of the overall Renewal Area approach is proposed over the current year. Its principal aim being to ensure resources are committed to those areas most in need and to look at ways of extending their impact on housing markets against an uncertain future funding position. For example this might mean concentrating housing facelift activity within smaller areas but increasing the size of areas with regard to environmental and community activity.
- 5.2 However, in advance of this review, it is proposed to undertake the necessary research and prepare the report required to declare a small extension to the current Heathside Renewal Area. This would involve a small number of homes on Plank Lane that were excluded from past declarations as they were originally included within the Bickershaw South development. This is no longer the case and works are considered vital if this flagship development is to succeed. Clearly any final decision on declaration would need a further report to Cabinet before works could commence.

6. Conclusions:

- 6.1 These proposals are designed to update the current Enforcement and Assistance on Housing Renewal Policy and ensure it is targeted at our current housing problems. It would ensure that resources continue to be targeted at the most vulnerable people and areas, yet it would make a valuable contribution in bringing empty homes back into use and increasing the supply of affordable housing. It would also simplify the administration of assistance, make it more understandable for applicants and also enable a greater proportion of our funding to be recycled.

Diversity Impact Assessment form

Section: Private Sector Housing

Policy/Service Area: Private Sector Housing Renewal

Person Completing Form: Anees Mank

Date: 20/05/09

Do any of the below groups suffer specific disadvantage (please indicate)

| | Yes | No | | Yes | No |
|-----------|-----|----|--------------------|-----|----|
| Race | | X | Disability | | X |
| Ethnicity | | X | Gender | | X |
| Age | | X | Religion | | X |
| Class | X | | Sexual Orientation | | X |

Is there evidence of disadvantage or associated problems?

Home Improvement Loans are targeted at vulnerable owner occupiers in receipt of specified benefits. This discriminates against people of a high and middle class who would not normally be eligible. However, in line with most forms of Government assistance, it is necessary to target limited funds at those in greatest need.

How was the information collected and/or who have you consulted with?

As part of the process for developing the Private Sector Housing Strategy 2006-10.

Action Plan – What specific actions are planned to tackle any disadvantage identified?

All the forms of assistance proposed in the policy are designed to tackle disadvantage and afford equal opportunity. For example:

- Home Improvement Loans are targeted at vulnerable owner occupiers who would not be able access private finance for home improvements.
- Disabled Facilities Grants fund adaptations to allow disabled people to remain in their homes and communities.
- All loans are now interest free in order to provide equal access for older people (who tend to be very wary of the impact of interest on the future inheritance of their beneficiaries) and all ethnic and religious groups (some of whom are unable to use interest bearing loans).

Is the policy in line with current equality legislation and relevant codes of practice?

Yes.

Timescale

Responsibility

Comments

Are the actions specified included in any other documents/plans?

| | |
|---------------------------|------------------------|
| Departmental Service Plan | Environmental Services |
| Section/Team Plan | Private Sector Housing |
| Other (Specify) | |

Date for further review: In line with future reviews of the Private Sector Housing Renewal Assistance Policy.

| |
|--|
| |
|--|

**Wigan Council
Private Sector Housing Renewal Assistance Policy
Empty Home Improvement Loan**

| | Current | Proposed | Reason for change |
|-------------------------|---|--|--|
| Name | Empty Homes Assistance. | Empty Home Improvement Loan. | Provision of loan only. |
| Purpose | To improve empty homes to Decent Homes Standard, thereby allowing them to be re-occupied. | To improve empty homes to Decent Homes Standard, thereby allowing them to be re-occupied. | - |
| Annual Budget | £250,000 | £250,000 | - |
| Provision | Discretionary. | Discretionary. | - |
| Assistance | Up to £20,000. | Up to £30,000. | To allow for inflation since 2004 and to reflect 100% payback requirement. |
| Type | Assistance is provided as a 50% grant and 50% loan to designated accredited landlords. | Interest free loan only. | To enable greater recycling of funds in view of uncertain Private Sector Housing capital allocations from the Government. |
| Home Eligibility | <ul style="list-style-type: none"> • Home must have been built or converted more than 20 years ago. • Home must contain a Category 1 Hazard under the Housing Health & Safety Rating System (HHSRS). • Home must have been empty for at least six months. • Improving the home must be the most appropriate course of action. | <ul style="list-style-type: none"> • Home must have been built or converted more than 20 years ago. • Home must not meet the Decent Homes Standard. • Home must have been empty for at least 12 months. • Improving the home must be the most appropriate course of action. • Home must be situated in an area of: (1) neighbourhood problems; (2) high demand for that type of affordable housing; or (3) elsewhere. | <p>-</p> <p>To match the minimum housing standard in social housing.</p> <p>To target assistance at homes that have been empty the longest.</p> <p>-</p> <p>To target assistance at homes that are causing most problems and to increase the supply of the right type and location of affordable housing in order to help tackle homelessness.</p> |

| | | | |
|-------------------------------------|--|---|---|
| <p>Applicant Eligibility</p> | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own the home. • Applicant must be a designated partner selected after a competitive bidding process and be an accredited landlord. • Applicant must intend to let the home and agree to the Council nominating tenants for the home for five years from the completion of the works. | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own the home. • Applicant or a member of their family must have owned the home for at least 12 months or must be an accredited landlord. • Applicant must intend to lease the home to the Council for a minimum period of three years and then continue to do so until the loan is repaid in full. | <ul style="list-style-type: none"> - - <p>To prevent amateur property speculation.</p> <p>To ensure good management of the home, provide affordable housing and allow prompt repayment of the loan.</p> |
| <p>Repayment Terms</p> | <ul style="list-style-type: none"> • The grant is repayable (after a discount of 20% per complete year after the completion of the works) if the applicant ceases to own and let the home. • The loan is repayable in full when the home is sold, together with interest charged at a simple fixed rate (which is set at the Bank of England base rate at the beginning of the financial year in which the loan was approved). | <ul style="list-style-type: none"> • N/A. • The interest free loan is repayable in instalments from the lease payments or in full from the sale proceeds if the owner wishes to terminate the lease early and sell the home. | <p>No grant provided.</p> <p>Loan is interest free in order to:</p> <ul style="list-style-type: none"> • encourage owners of empty homes to improve and re-occupy them; • simplify administration by removing the need to comply with the financial regulatory requirements on the provision of interest bearing loans; and • provide equal access for older people (who tend to be very wary of the impact of interest on the future inheritance of their beneficiaries) and all ethnic and religious groups (some of whom are unable to use interest bearing loans). |

**Wigan Council
Private Sector Housing Renewal Assistance Policy
Home Improvement Loan**

| | Current | Proposed | Reason for change |
|-------------------------|---|--|---|
| Name | Home Fitness Assistance. | Home Improvement Loan. | Provision of loan only. |
| Purpose | To improve homes occupied by vulnerable people to Decent Homes Standard. | To improve homes occupied by vulnerable people to Decent Homes Standard, including basic decoration, replacement lead water mains and Warm Front Grant Top-ups. | Inclusion of finishing works such as basic decoration reflects 100% payback requirement. |
| Annual Budget | £500,000. | £500,000. | - |
| Provision | Discretionary. | Discretionary. | - |
| Assistance | Up to £20,000. | Up to £30,000. | To allow for inflation since 2004 and reflect 100% payback requirement. |
| Type | The first £6,000 is a grant. The remaining £14,000 is provided as: <ul style="list-style-type: none"> • a 50% grant and 50% loan combination outside Renewal Areas; or • a 75% grant and 25% loan combination within Renewal Areas. | Interest free loan only. | To enable greater recycling of funds in view of uncertain Private Sector Housing capital allocations from the Government. |
| Home Eligibility | <ul style="list-style-type: none"> • Home must have been built or converted more than 20 years ago. • Home must contain a Category 1 Hazard under the Housing Health & Safety Rating System (HHSRS). • Improving the home must be the most appropriate course of action. | <ul style="list-style-type: none"> • Home must have been built or converted more than 20 years ago. • Home must not meet the Decent Homes Standard. • Improving the home must be the most appropriate course of action. | <p>-</p> <p>To match the minimum housing standard in social housing.</p> <p>-</p> |

| | | | |
|-------------------------------------|---|---|--|
| <p>Applicant Eligibility</p> | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own or rent the home with a full repairing obligation. • Applicant must occupy the home as their only or main residence. • A permanent resident of the home must be in receipt of: <ul style="list-style-type: none"> ○ Council Tax Benefit; ○ Guarantee Pension Credit; ○ Housing Benefit; ○ Income Based Job Seekers Allowance; ○ Income Support; ○ Working Tax Credit. • If the home is not in a Renewal Area, the applicant must have owned and occupied the home as their only or main residence for at least three years and a permanent resident of the home must be: <ul style="list-style-type: none"> ○ aged under 16 years; or ○ aged over 60 years; or ○ registered as disabled; or ○ suffering from a long-term illness. | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own the home. • Applicant must occupy the home as their only or main residence. • Applicant must be in receipt of: <ul style="list-style-type: none"> ○ Council Tax Benefit; ○ Guarantee Pension Credit; ○ Housing Benefit; ○ Income Based Job Seekers Allowance; ○ Income Support; ○ Working Tax Credit. • If the home is not in a Renewal Area, the applicant must have owned and occupied the home as their only or main residence for at least three years. • Applicant must hold current Buildings Insurance for the home and agree to maintain this as long as the loan is in place. • Funding must not be available from an alternative source (e.g. Coal Authority, Insurance Policy, Warm Front Grant). • Applicants who are waiting to be discharged from hospital will be fast-tracked to the top of the waiting list for an inspection. | <ul style="list-style-type: none"> - Loan cannot be secured on the home if it was provided to a tenant. - To target assistance at home owners in greatest need who are unlikely to be offered commercial loans. Relaxed criteria outside Renewal Areas to allow anyone in receipt of the specified benefits to apply. To prevent repeat applications due to accidental, flood or storm damage. To target assistance at those in greatest need. To reduce hospital bed blocking and take account of the discontinuation of the Hospital Discharge Grant. |
| <p>Repayment Terms</p> | <ul style="list-style-type: none"> • The grant is repayable (after a discount of 20% per complete | <ul style="list-style-type: none"> • N/A. | <p>No grant provided. Loan is interest free in order to:</p> |

| | | | |
|--|--|--|--|
| | <p>year after the completion of the works) if the applicant or a member of their family ceases to own and occupy the home as their only or main residence.</p> <ul style="list-style-type: none"> • The loan is repayable in full when the home is sold, together with interest charged at a simple fixed rate (which is set at the Bank of England base rate at the beginning of the financial year in which the loan was approved). | <ul style="list-style-type: none"> • The interest free loan is repayable in full when the home is sold. | <ul style="list-style-type: none"> • protect vulnerable people from increasing debt; • simplify administration by removing the need to comply with the financial regulatory requirements on the provision of interest bearing loans; and • provide equal access for older people (who tend to be very wary of the impact of interest on the future inheritance of their beneficiaries) and all ethnic and religious groups (some of whom are unable to use interest bearing loans). |
|--|--|--|--|

**Wigan Council
Private Sector Housing Renewal Assistance Policy
Block Improvement Grant**

| | Current | Proposed | Reason for change |
|-------------------------|--|---|---|
| Name | Renewal Area Assistance. | Block Improvement Grant. | Provision of grant only. |
| Purpose | To improve the external structure (e.g. chimneys, doors, gutters, roof, walls, windows) of blocks of homes situated in designated Renewal Areas, together with certain energy efficiency and home security measures. | To improve the external structure (e.g. chimneys, doors, gutters, roof, walls, windows) of designated blocks of homes situated in Renewal Areas, with priority to those on an arterial route, together with certain energy efficiency and home security measures. | To target reducing funds on homes that will give the greatest impact in an area. |
| Annual Budget | £3,000,000 | £2,000,000 | - |
| Provision | Discretionary. | Discretionary. | - |
| Assistance | Up to £20,000 for a mid terrace home or £40,000 for a home with a large gable wall. | Up to £30,000 for a mid terrace home or £40,000 for a home with a large gable wall. | To allow for inflation since 2004 and reflect greater payback requirement. |
| Type | Assistance is provided as: <ul style="list-style-type: none"> • a 90% grant and 10% loan combination to owner occupiers and accredited landlords; or • a 75% grant and 25% loan combination to non-accredited landlords. | Grant only but with repayment terms (see below). | To enable greater recycling of funds in view of uncertain Private Sector Housing capital allocations from the Government. |
| Home Eligibility | <ul style="list-style-type: none"> • Home must be situated in a designated Renewal Area. • Home must have been built or converted more than 20 years ago. • Improving the home must be the | <ul style="list-style-type: none"> • Home must be situated in designated blocks within Renewal Areas, with priority to those on an arterial route. • Home must have been built or converted more than 20 years ago. • Improving the home must be the | To target reducing funds on homes that will give the greatest impact in an area. |

| | | | |
|------------------------------|--|--|---|
| | <p>most appropriate course of action.</p> <ul style="list-style-type: none"> • For landlords, home must meet the minimum housing standard on completion of the works. | <p>most appropriate course of action.</p> <ul style="list-style-type: none"> • For landlords, home must meet the minimum housing standard on completion of the works. | <p>To ensure minimum housing standards are met in privately rented homes.</p> |
| Applicant Eligibility | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own or rent the home with a full repairing obligation. • Applicant must occupy or let the home. | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own the home. • Applicant must occupy or let the home. | <p>-</p> <p>Grant repayment requirement cannot be secured on the home if it was provided to a tenant.</p> <p>-</p> |
| Repayment Terms | <ul style="list-style-type: none"> • The grant is repayable (after a discount of 20% per complete year after the completion of the works) if the applicant or a member of their family ceases to own and occupy or let the home. • The loan is repayable in full when the home is sold, together with interest charged at a simple fixed rate (which is set at the Bank of England base rate at the beginning of the financial year in which the loan was approved). | <ul style="list-style-type: none"> • The grant is repayable when the home is sold with a discount of: 20% of the grant value during the first year after payment; 40% of the grant value during the second year after payment; 60% of the grant value during the third year after payment; and 80% of the grant value from the fourth year after payment onwards. • The maximum discount for non-accredited landlords will be restricted to 60% from the third year after payment onwards. | <p>No loan provided in order to:</p> <ul style="list-style-type: none"> • encourage owners to take part in block improvement schemes; • simplify administration by removing the need to comply with the financial regulatory requirements on the provision of interest bearing loans; and • provide equal access for older people (who tend to be very wary of the impact of interest on the future inheritance of their beneficiaries) and all ethnic and religious groups (some of whom are unable to use interest bearing loans). <p>To provide an incentive for accreditation and good quality management of privately rented homes.</p> |

**Wigan Council
Private Sector Housing Renewal Assistance Policy
Clearance Grant**

| | Current | Proposed | Reason for change |
|-------------------------|---|--|--|
| Name | Market Renewal Assistance. | Clearance Grant. | Provision of grant only. |
| Purpose | To provide additional compensation for the acquisition of a home for clearance in order to: <ul style="list-style-type: none"> • secure the owner’s support for clearance; • assist in land assembly; and • retain local communities within a neighbourhood. | To provide additional compensation for the acquisition of a home for clearance in order to: <ul style="list-style-type: none"> • secure the owner’s support for clearance; • assist in land assembly; and • retain local communities within a neighbourhood. | - |
| Annual Budget | Within a clearance budget of £1,000,000 | Within a clearance budget of £1,000,000 | - |
| Provision | Discretionary. | Discretionary. | - |
| Assistance | The difference between the clearance compensation for the home (based on current market value + home loss + disturbance payments) and the purchase price of an equivalent replacement home in the same neighbourhood, subject to a maximum assistance of £14,000. | The difference between the clearance compensation for the home (based on current market value + business / home loss + disturbance payments) and the purchase price of an equivalent replacement home in the same neighbourhood, or the original purchase price if greater, subject to a maximum grant of £30,000. | To allow applicants with homes situated in blighted streets or suffering from negative equity to receive sufficient compensation to allow them to purchase an equivalent replacement home in the same neighbourhood. |
| Type | Grant or Loan. | Grant only. | Loans are unsuitable for the purpose of securing the owner’s support for clearance. |
| Home Eligibility | <ul style="list-style-type: none"> • Home must be selected by the Council for clearance. • Demolishing the home must be the most appropriate course of | <ul style="list-style-type: none"> • Home must be selected by the Council for clearance. • Demolishing the home must be the most appropriate course of | - |

| | | | |
|------------------------------|--|--|---|
| | action. | action. | |
| Applicant Eligibility | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own and occupy the home. | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own the home. | - To enable landlords to qualify in order to secure their support for clearance. |
| Repayment Terms | <ul style="list-style-type: none"> • The grant is not repayable. • The loan is repayable in full when the home is sold, together with interest charged at a simple fixed rate (which is set at the Bank of England base rate at the beginning of the financial year in which the loan was approved). | <ul style="list-style-type: none"> • The grant is not repayable. • N/A | - |

**Wigan Council
Private Sector Housing Renewal Assistance Policy
Disabled Facilities Grant**

| | Current | Proposed | Reason for change |
|------------------------------|--|--|--|
| Name | Disabled Facilities Grant. | Disabled Facilities Grant. | - |
| Purpose | <p>To:</p> <ul style="list-style-type: none"> • adapt homes occupied by disabled people, <p>as deemed necessary and appropriate by an Occupational Therapist.</p> | <p>To:</p> <ul style="list-style-type: none"> • adapt homes occupied by disabled people; or • provide funding towards the purchase of an alternative home that can be adapted more readily, as long as the cost of contributing to the purchase and adaptation of the new home is no greater than adapting the existing home; or • provide funding towards the purchase of portable extensions, as long as they are likely to be available for re-use within their normal life span; <p>as deemed necessary and appropriate by an Occupational Therapist.</p> | <p>-</p> <p>More efficient use of resources.</p> <p>More efficient use of resources.</p> |
| Annual Budget | £2,000,000. | £2,000,000. | - |
| Provision | Mandatory. | Mandatory. | - |
| Assistance | Up to £30,000. | Up to £30,000. | - |
| Type | Grant only subject to a means-tested contribution. | Grant only subject to a means-tested contribution. | - |
| Home Eligibility | The adaptations to the home must be reasonable and practicable. | The adaptations to the home must be reasonable and practicable. | - |
| Applicant Eligibility | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own or rent the home. | <ul style="list-style-type: none"> • Applicant must be over 18. • Applicant must own or rent the home. | - |

| | | | |
|------------------------|---|---|---|
| | <ul style="list-style-type: none"> • Disabled person must intend to occupy the home as their only or main residence for at least five years after the completion of the works. | <ul style="list-style-type: none"> • Disabled person must intend to occupy the home as their only or main residence for at least five years after the completion of the works. | - |
| Repayment Terms | None. | The grant above £5,000 is repayable if the home is sold within ten years after the completion of the works (excluding equipment), subject to a maximum repayment of £10,000. | Adoption of the “Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008” to enable greater recycling of funds in view of uncertain DFG allocations from the Government. |