



<b>Report to:</b>	Regeneration Panel	Cabinet
<b>Date:</b>	12 May 2004	13 May 2004
<b>Subject:</b>	Adjustments to the Policy for Enforcement and Assistance on Housing Renewal	
<b>Report of:</b>	Director of Community Protection	
<b>Contact officer:</b>	Peter Layland — (01942) 404135	
<b>Purpose/summary:</b>	To revise the approved assistance levels and the standard to be achieved within parts of the Policy for Enforcement and Assistance on Housing Renewal	
<b>Alternative options considered and reason for selecting the one recommended:</b>	Full option analysis conducted as part of the original policy report. Current changes being introduced in light of government policy announcements and customer response to current levels of assistance. Only alternative option would be not to vary the policy and this would mean not complying with government policy and under achieving within the programme.	
<b>Recommendation/decision:</b>	The adjustments contained in this report to the Policy for Enforcement and Assistance on Housing Renewal be approved and that consideration be given to delegating authority to vary approved assistance levels within the Policy to the Director of Community Protection in liaison with the Executive Board Member	
<b>Key Decision:</b>	This report does not involve a key decision.	
<b>Implications:</b>		
Financial:	Contained within existing capital programme expenditure for Private Sector Housing	
Staffing:	Within existing staffing	
Policy:	Housing	
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Undertaken as part of original policy	
Wards affected:	All	
Special Interest Members – Which have been consulted	None	

#### Categorisation of the report:

Discussion leading to a decision	x	Discussion
Monitoring		Decision
Sharing for corporate understanding		Information

#### Tracking/Process:

	Consultation	Ward Members	Partners
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<b>Panel</b>	<b>Overview &amp; Scrutiny</b>	<b>Cabinet</b>	<b>Council</b>
Regeneration 12.05.04	-	13.05.04	-

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

Document	Date	File Reference	Place of Inspection
Housing Needs Survey	2003	EHCP/ATC/Housing Renewal	Wigan Town Hall
Housing Condition Survey	2003		

A Decent Home (ODPM)

2004

CP/PJL

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**Proper Officer**

R Saunders

**Date**27 April 2004

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**Background:**

The national framework for providing house renovation grants was largely repealed on 18th July 2003. The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 introduced a new general power for local authorities to provide assistance for improving living conditions. Following consultation, in the May 2003 cycle Regeneration Panel and Cabinet agreed a Policy for enforcement and Assistance on Housing Renewal. It was made clear in the policy that further work was needed and that proposals would be made to amend the policy. These were brought in February 2004 and Regeneration Panel and Cabinet agreed a revised policy with the main amendments relating to adaptations, on dealing with obsolete and low demand private housing and in the available levels of assistance. A summary of the current framework is enclosed as Appendix A to this report.

This revised framework of policies largely provides a sound basis for achieving our objectives of assisting vulnerable people in unsatisfactory housing and in helping improve renewal areas. However two issues have arisen since February which means that we need to make one amendment of the policy itself and to vary the approved assistance limits for two of the seven main policy components. These are the Home Fitness Assistance (targeting vulnerable people in unfit housing) and the Renewal Area Assistance (face lift schemes)

**Reasons for the Proposed Amendments**

There are two main reasons why these limited revisions need to be considered

**Decent Homes in the Private Sector**

The government has for some time discussed the need to reduce the number of vulnerable people living in non decent homes in both the public and private sectors. Despite this until recently the government guidance within the private sector concentrated on the lower standard of making properties fit. However in late February 2004 an ODPM guidance document "A Decent Home"; The Definition and guidance for implementation" was published. This set out the government linkage between the Private Sector Renewal Powers, the need to achieve the Decent Homes Standard and to concentrate resources on the most vulnerable.

Our existing policies link well with the concern of targeting the most vulnerable. However it currently would not necessarily produce homes improved to the "decent" standard. The importance of trying to meet this higher standard has also been reinforced by the recently received HIP annual returns, which for the first time record the achievement of decent homes rather than unfitness.

Given this move by government it is felt that it would be advisable if we carried out works to the higher decent homes standard rather than just make the property fit. In terms of the difference between the two standards, decent homes would not only make the property fit but would also ensure it was in a reasonable state of repair and had reasonable facilities. If the Council moved to these higher standards there would be a cost implication thus necessitating higher levels of assistance. However this would arguably also provide better value for money in the longer term as it would produce a better standard of property.

**Lower levels of Take up**

The second reason for change is the reluctance of owners to improve their properties within the current arrangements. Whilst the number of enquiries for Home Fitness Assistance and Renewal Area Assistance remains high and schemes of work are being prepared, many occupiers are deciding not to proceed with the work. This is due to concerns about taking out loans and the inevitable uncertainty this causes when carrying out work which may increase in value as the work progresses. As a result of this the level of commitment for this area of work ( £0.45m ) is extremely low compared to previous years.

This combination of a low commitment and the high rate of occupiers deciding not to proceed with work, means that without change the programme will underachieve in the current year.

**Changes Proposed**

In light of the above circumstances the following changes are proposed.

**Home Fitness Assistance**

- For Home Fitness Assistance to continue to be targeted at unfit dwellings occupied by the specified vulnerable low income owner-occupied households but for then to be improved to meet the decent homes standard.

- That the levels of assistance be increased to the following

### Outside Renewal Areas

Current	Proposed
Up to £6,000 (75:25 grant/loan). A further £4000 in loan is available in exceptional cases	Up to £6000 in grant. For assistance above this to available at a ratio of 50:50 grant/loan up to a limit of an additional £14,000

### Inside Renewal Areas

Current	Proposed
Up to £6,000 (90 : 10 grant/loan). A further £4000 in loan is available in exceptional cases	Up to £6000 in grant. For assistance above this is available at a ratio of 75 : 25 grant/loan up to a limit of an additional £14,000

### Renewal Area Assistance

- That the levels of assistance be increased to the following

	Current	Proposed
Owner Occupiers	Up to £9000 assistance. (90 : 10 grant/loan ratio) for owners	
And accredited Private Landlords	(50 : 50 grant/loan) accredited landlords	Up to £20,000 assistance. (90 : 10 grant/loan)
Other Landlords	No help for other landlords	Up to £20,000 assistance. (75 : 25 grant/loan)

- To continue the existing successful approach for environmental improvements it is proposed that commercial premises within the Renewal Area Assistance scheme should be entitled to 50% match funding towards facelift works to a maximum of £10,000.

These changes would ensure that works within the Home Fitness Assistance would produce homes that comply with the decent homes standard. The proposed increased financial assistance would both enable this to be achieved and act as an incentive to owners to improve their homes and areas. All these amendments would continue our main approach of targeting the vulnerable and low income people living in the worst housing and in targeting areas vulnerable to market change.

Whilst it is felt that these changes would provide a sound basis for achieving improvement in the private sector, one lesson of the recent few months has been the need to tailor the level of the assistance ( work limits / level of grant ) to the willingness of the owner to invest in their property. The aim being to enable as many vulnerable properties as possible to be improved and yet to ensure it is done at best value to the public purse. To get this balance right, annual reviews of the available assistance levels are needed to look at available resources, demand and activity targets. It is therefore suggested that these decisions to vary the overall level of assistance be delegated to the Director of Community Protection in liaison with the Executive Board Member for Regeneration. Clearly this discretion would not extend to varying the policy itself.

### Conclusions:

Due to government changes in the standards of property expected from private sector intervention and to try to provide a greater incentive to vulnerable people to repair their homes, the following changes are advocated.

- Home Fitness Assistance to continue to target unfit dwellings occupied by specified vulnerable low income owner occupied households but for aided works to now improve the properties to the decent home standard.
- To adjust approved limits to Home Fitness Assistance and Renewal Area Assistance to ensure that help to specified vulnerable people and to aid block improvements in renewal areas is optimised.

If implemented these changes would allow properties to be improved to meet government expectations and would provide appropriate levels of assistance to ensure our policy aims are achieved.

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## Appendix A: Summary of the current 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 £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 £9,000 in the form of a grant and loan on a ratio of 90% grant and 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 in 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 a 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.
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