

**EXECUTIVE SUMMARY – REVIEW OF HOUSING ASSISTANCE POLICY**








**Summary of Purpose and Recommendations:**

This report recommends changes to the current Housing Assistance Policy incorporating the results of the New Forest House Condition Survey, new legislation and government targets, together with feedback from interested parties.

**Cost to Council:** £NIL

**Within existing budget?** Yes

**Contribution to Corporate Plan (Minor/Moderate/Major/Neutral):**

	+		-		+		-
		Neutral		<b>Priorities</b>			
	Minor			Clean Streets and Public Spaces		Neutral	
		Neutral		Crime and Disorder		Neutral	
	Minor			Housing	Minor		
		Neutral		Managing our Finances		Neutral	

**Comments on Impacts on Corporate Objectives and Priorities:**

- Promoting independence for disabled and older persons by assisting them to remain independent in their own homes.
- Assisting vulnerable and low income residents to maintain their homes.



Organisation of excellence



Working with public and partners



Economic well being



Social well being



Environmental well being

## REVIEW OF HOUSING ASSISTANCE POLICY (GRANTS/LOANS)

### 1. INTRODUCTION

- 1.1 The purpose of this report is to recommend changes to the current Housing Assistance Policy incorporating the results of the recent House Condition Survey, new legislation and government targets, together with feedback from interested parties.

### 2. BACKGROUND INFORMATION

- 2.1 Until the advent of the Regulatory Reform Order 2002 (RRO) the criteria for all grants (whether to assist with repairs, improvements or disabled adaptations) were decided by national legislation. The RRO changed this in that each local authority could then tailor their financial assistance packages to meet identified local needs linked to both the stock condition and resident profile. The only exception to this new regime was that mandatory Disabled Facilities Grants remained, although the RRO also gave the freedom to offer other financial packages to assist a disabled person if appropriate.
- 2.2 This new flexible approach led to our current Housing Assistance Policy that was agreed by the Cabinet on 5 February 2003 and implemented on 1 April of the same year.
- 2.3 This policy has now been in place for approximately two years and in line with RRO guidance it is being reviewed to take into account new legislative standards and targets, changes in local needs (highlighted by the results of the New Forest House Condition Survey Report of March 2005), and feedback from our partners and customers.
- 2.4 This report sets out the proposed new policy and the financial assistance and general support that it is proposed to offer applicants.

### 3. FACTORS INFLUENCING CHANGE

- 3.1 **Housing Health and Safety Rating System**  
The Housing Act 2004 has introduced a new mechanism for assessing properties based on risk assessment. This new approach entitled the 'Housing Health and Safety Rating System' will replace the current 'fitness' assessment. This is a much broader inspection tool and as seen in the House Condition Survey findings will result in a greater number of properties failing the legislative standard.

- 3.2 **The Decent Home Standard**  
Until recently obligations under the Decent Homes Standard were directed solely at the social housing sector. This has now been extended to include the private sector with the aim of reducing the proportion of vulnerable households living in non-decent homes. Currently the target is to achieve a rate of 70% decency in the private sector by 2010, but the indications are that this target will be increased on a step basis.
- 3.3 **The New Forest House Condition Survey (2004)**  
This survey was commissioned to produce a comprehensive review of the private sector stock condition and resident profile in the New Forest area, and to assist in informing policy changes. Its key findings indicate a number of interesting points that have been incorporated in the proposed amendments. Please note that the survey excluded all Council owned accommodation, and the following statistics relate only to the private sector. In general terms there is still a high number of properties that fail to meet the required legislative standards. This is currently the fitness standard, but is shortly to be replaced by the Hazard Rating System. The survey identified 3,970 properties failing to meet the Hazard Rating System needing an average of £12,400 per property for repairs/improvements. In addition to these figures 13,600 properties were identified as failing to meet the Decent Home Standard needing an average of £8,500 per dwelling to remedy this. It is interesting to note that of the 13,600 properties failing to meet the Decent Home Standard, 8,400 failed the thermal comfort element of the standard. In terms of residents' needs, there are 15,500 dwellings occupied by a person in receipt of a means tested benefit, and 33% of households over 60 have an income below £10,000. The number of elderly and disabled residents is increasing, and there are currently 8,700 dwellings occupied by a disabled person.
- 3.4 **Feedback From Interested Parties**  
In implementing the current policy we work closely with the Social Services Occupational Therapy Team and the local Home Improvement Agency 'New Forest Care and Repair', and seek feedback from customers. The issues raised by these groups relate primarily to financial difficulties where a customer is unable to find the shortfall in costs (for both disabled adaptations and renovation works). As a result of this take up of Renovation Grants where a customer has to source 50% of the costs has been lower than anticipated, and many that have been approved have failed to proceed. Some disabled customers are also experiencing difficulties in sourcing their assessed contribution to any scheme mainly due to higher than average housing costs in the area.

## **4. REVISED FINANCIAL ASSISTANCE POLICY**

### **4.1 Disabled Adaptations**

Disabled Facilities Grants (DFGs) of up to £25,000 remain mandatory for specified works, and this is applicable regardless of tenure. Where costs exceed this amount our current policy allows for a discretionary 'top-up' grant. There is no ceiling to this 'top-up' facility and grants in excess of £50,000 have been awarded in the past. This can cause budgetary difficulties and reduces the

number of clients we are able to assist. Cost can also be an issue where a client's home is not really suitable for adaptation, making an overall scheme more expensive or sometimes impossible to achieve. A further problem exists where a disabled client is unable to meet their assessed contribution to the scheme, and for this reason the adaptation does not proceed. To overcome these issues the following policy is proposed:

#### 4.1.1 Mandatory/Discretionary Disabled Facilities Grants

Continue to offer mandatory DFGs of up to £25,000 to eligible clients, but limit the amount of Discretionary Top Up DFG to £10,000.

#### 4.1.2 Disability Top-Up Loan

Where the cost of the proposed disabled adaptation exceeds the maximum DFG of £35,000 a Disability Top Up Loan of up to £10,000 will be offered. In exceptional circumstances where a client is unable to find their assessed contribution a Disability Top-Up loan of up to £10,000 will be offered to cover this cost. Funds will be recycled as a Disability Top Up Loan will be repayable when the property is sold or vacated by the loan applicant or disabled person. If the loan applicant is a tenant the loan will be repayable by instalments.

#### 4.1.3 Disability Relocation Loan

In exceptional circumstances where it would be extremely difficult or costly to adapt a client's home, a Disability Relocation Loan would be offered to meet specified costs of finding a property more suited to their needs (the new property would need to be agreed with both the Occupational Therapist and the Grants Surveyor in order to be eligible for the loan). Where a Disability Relocation Loan is taken up, a client will not be eligible for either a Discretionary DFG Top Up grant or a Disability Top Up Loan. Funds will be recycled as a Disability Relocation Loan will be repayable when the new property is sold or vacated by the loan applicant or disabled person. If the loan applicant is a tenant the loan will be repayable by instalments.

## 4.2 Repair/Improvement Packages

4.2.1 It is proposed to offer a number of grant/loan packages to meet the differing needs within the community (identified by the House Condition survey) as outlined below. All packages will be means tested in order to target financial assistance to those most in need, and will be subject to a number of terms and conditions. Loans are being offered as a form of 'equity release', which supports the government criterion to encourage homeowners to be responsible for maintenance etc. The proposed packages recognise that low income residents may not be able to achieve this without assistance from the local authority, as they are not able to access funding in the market place. It should be noted that all loans would be repayable when the property is sold or the loan applicant vacates the home, enabling recycling of funds. The grant element of the Major Works Package is subject to a similar condition relating to repayment in that it must be repaid if the property is sold or does not remain the main or only residence of the applicant or immediate family for a five-year period following completion of works.

- 4.2.2 Major Works  
This will be a package of up to £20,000 and split 50/50 between a grant and loan. It will be individually tailored to enable the applicant to undertake 'essential works' to meet the fitness standard or Hazard Rating System requirements, plus the New Forest Private Sector Decent Home Standard. Only one Major Works package will be offered within a ten-year period.
- 4.2.3 Minor Works for Energy Efficiency  
This will be a grant of up to £1,000 to enable an applicant to improve the insulation to their home.
- 4.2.4 Minor Works for Small Repairs  
This grant of up to £5,000 is designed to help the over 60s and disabled undertake minor works to enable them to 'stay put' in their own home.
- 4.2.5 Minor Works for Safety/Security Measures  
To assist with improved safety and security measures within the home a grant of up to £1,000 will be available.
- 4.2.6 Minor Works for Small Adaptations for the Elderly/Frail  
There are an increasing number of elderly/frail residents in the area, and many of these have difficulties linked with their age, but are not eligible for a Disabled Facilities Grant. This grant of up to £2,000 is designed to assist this client group maintain their independence in their home.
- 4.2.7 Landlord Grants  
Grants of 50% up to a maximum of £5,000 per unit of accommodation will continue to be offered to repair or improve privately rented accommodation. Where a landlord is willing to enter into a lease agreement with NFDC whereby nominated tenants will occupy the dwelling for a period of 5 years this grant will be increased to 75% up to a maximum of £7,500.

## **5. POLICY BOUNDARIES**

The RRO recognises that local authorities cannot fetter their discretion in providing financial assistance. Whilst an application may be legitimately turned down if it falls outside an agreed policy, it cannot be refused without a mechanism in place to determine these cases on a sound and informed basis. It is therefore proposed that the Assistant Director (Housing Services) in conjunction with the Portfolio Holder for Housing are jointly authorised to make a decision regarding approval or refusal if such circumstances arise.

## **6. FINANCIAL IMPLICATIONS**

There are three separate budgets for financial assistance packages (disabled adaptations for NFDC tenants, disabled adaptations for owner occupiers and private tenants and the RRO policy fund). These have already been agreed for 2005/06, and there are no additional costs as a result of the proposed changes.

## **7. ENVIRONMENTAL IMPLICATIONS**

One of the principles behind this amended policy is to help people remain independent in their own home (particularly the elderly, vulnerable and disabled). In addition it will improve the energy efficiency of homes in the New Forest.

## **8. CRIME AND DISORDER IMPLICATIONS**

The Minor Works Grant for safety and security measures will assist in reducing casual crimes and reduce perceived fear of crime.

## **9. PORTFOLIO HOLDER COMMENTS**

The Portfolio Holder for Housing has been consulted and says: "The House Condition Survey has enabled us to amend the policy in an informed manner so as to direct resources to the residents and homes in most need of financial assistance. The grant and loan packages proposed are more accessible to low income households, whilst still meeting government guidelines to encourage responsible home ownership. The new proposals also assist in addressing the issue of a shortage of affordable rented accommodation in the area with an incentive to join the lease scheme. This overall package of measures will result in an improvement to the general stock condition and residents living standards".

## **10. REVIEW PANEL COMMENTS**

The Review Panel considered this report on 15 June and strongly supported the proposed revisions to the Housing Financial Assistance Policy.

## **11. RECOMMENDATION**

The Cabinet is asked to approve the revised Housing Assistance Policy.

### **For Further Information:**

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### **Background Papers:**

Cabinet Report 5 February 2003 'Amendments to the Housing Renewal Grants Policy'  
  
PPS Housing and Environment 'New Forest District Council House Condition Survey'  
  
ODPM Circular 5/2003 'Housing Renewal'