

CABINET - 3 JULY 2006

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. The changes are necessary to allow for effective targeting of grant budget following a decision to reduce the private sector renewal budget that was agreed by Cabinet in February 2006. This review does not affect the policy for offering Mandatory Disabled Facilities Grants

2. BACKGROUND INFORMATION

- 2.1 Current policy for the spending of the grant budget was agreed by the Cabinet in July 2005 after a change in housing legislation and the New Forest District Council House Condition Survey. The grants available for the repair and improvement of private dwellings range from Major Works Grants with a maximum of £20,000 (50% grant/50% loan) to the Minor Works Grant of up to £5,000 for staying put type works, smaller repairs, security and energy efficiency. The current policy also allows for discretionary top up of mandatory DFG grants, disability relocation loans and assistance for landlords to improve privately rented accommodation. Following the decision to reduce the private sector grant budget from £200,000 in 2005/6 to £106,000 for 2006/7 it is clear that the Council is unable to offer the full range of assistance that is currently offered and the policy needs to be reviewed to ensure effective use of the remaining available funds
- 2.2 The Housing Act 2004 introduced the Housing Health and Safety Rating System (HHSRS) as a new method of judging the suitability of a dwelling for occupation based on a risk assessment. The new system means that there is a duty to take appropriate action where there are hazards that are rated as category 1. A few examples of such hazards are dangerous gas and electrical systems, risk of collapse and severe dampness.
- 2.3 It is proposed that the remaining grant budget be targeted at category 1 hazards. Although to be confirmed, it is likely that one of the government performance targets for housing will be how many category 1 hazards each authority deals with each year.

3. GRANT BUDGET MANAGEMENT

- 3.1 The rate at which the grant budget is spent is governed by the level of commitment (grant approvals) and because of the nature of building projects a grant is rarely approved and completed in the same financial year. The Council control expenditure on grants by controlling approvals and aim to have around 50% of the grant budget committed at any one time. Historically it has been found that if, at the start of a financial year about 50% of the budget is already committed, then the remainder of the agreed budget is able to be spent in the financial year. Ideally, the aim is to then carry over a commitment of 50% of the following year's budget.

- 3.2 At the end of April 2006 grant commitment stood at £56,000 and £17,000 had already been spent. (from a budget of £106,000). This demonstrates that demand for grants under the current policy is greater than the budget and the policy needs to be reviewed.

4. CHANGES TO THE GRANT POLICY

- 4.1 It is necessary to revise the grant policy to focus it on category 1 hazards. With some minor changes to criteria and eligibility a revised policy would be as follows.

4.2.1 Major Works Assistance - A grant of up to £5,000 to deal with category 1 hazards in dwellings and mobile homes. All owner occupiers, tenants with a lease of at least five years and repairing obligations, and persons with a right to occupy and repairing obligations would be eligible subject to a financial means test and a council tax banding of A to E. It is requested that the condition to have occupied a dwelling for at least three years is removed but the five-year occupation condition after the grant is completed is retained. Mobile homes should be assessed in the same way as normal dwellings to determine if there is a category 1 hazard but grant would only be offered if the works are reasonable and cost effective.

4.2.2 The Minor Works Grants for staying put type works, smaller repairs, security and energy efficiency, discretionary top up of mandatory DFG grants, disability relocation loans and assistance for landlords to improve privately rented accommodation to remain suspended. However the Housing Improvements Manager to have discretion to reintroduce these grants subjects to funding being available.

4.2.3 As at 3 July 2006 all applicants who have been visited by our grant Surveyors and sent the grant application forms be offered the opportunity of making an application under the old policy. This offer to extend to the 3 October 2006.

5. FINANCIAL IMPLICATIONS

- 5.1. There are no changes to the agreed budgets for the year for Private Sector Renewal, Private Sector Disabled Facilities Grants or Tenants Disabled Facilities Grants from the Housing Revenue Account.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1. The principle behind the Housing Assistance Policy it to help people to remain independent and in their own homes and communities. This revision will focus funding on the dwellings with the worse hazards.

7. CRIME AND DISORDER IMPLICATIONS

- 7.1 Some works carried out under this policy may assist in reducing burglaries and reduce the perceived fear of crime.

8. PORTFOLIO HOLDER COMMENTS

To Follow

9. REVIEW PANEL COMMENTS

The Review Panel considered this report on 21 June 2006 and supported the recommendation below.

10. RECOMMENDATION

The Cabinet is asked to approve the recommended changes as outlined in section 4 above as a revision to the existing Housing Assistance Policy.

For further information contact

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Background Papers

Housing Act 2004 and related guidance from the ODPM see WWW.ODPM.gov.uk
Housing Assistance Policy (Cabinet July 2005)

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