

LONDON BOROUGH OF HARROW

Meeting:	Cabinet
Date:	15 th July 2003
Subject:	Approval of Private Sector Housing Renewal Grant Policy
Key decision:	Yes
Responsible Chief Officer:	Head of Housing and Environmental Health Services
Relevant Portfolio Holder	Planning, Development, Housing and Best Value
Status:	Part 1
Ward:	All
Enclosures:	The Private Sector Housing Renewal Grant Policy (circulated in Supporting Documents Pack)

1. Summary

- 1.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 removed many of the detailed provisions that govern the way authorities carry out housing renewal. It gives authorities new, wider powers to provide assistance to repair and improve private sector housing and greater flexibility and discretion in delivering housing renewal to address local needs and achieve wider regeneration.
- 1.2 The Regulatory Reform Order also requires that the Private Sector Housing Renewal Strategy includes the provision of a clear and transparent policy and criteria for awarding grants, based on the condition of properties as well as the financial means of the applicant, to deliver strategic priorities. The type of Grants available and the conditions attached to them are set out in detail in the Private Sector Housing Renewal Grant Policy.
- 1.3 Before Harrow Council can use these new powers the Private Sector Housing Renewal Grant Policy must be adopted and published.

2. Recommendations (for decision by Cabinet)

2.1 Cabinet approves the Private Sector Housing Renewal Grant Policy

Reason: The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 removed the detailed provisions that govern the way authorities carry out housing renewal giving authorities discretion in delivering housing renewal to address local needs. This new power is not exercisable until the authority has adopted and published a policy for providing assistance and the conditions to which that assistance is subject. This must be adopted by the 18th July 2003.

3. Consultation with Ward Councillors

3.1 None specific other than attendance at consultation events including the Landlords Forum, Private Sector Housing Challenge event and the Housing Conference which were used as consultation events in drawing up the policy.

4. Policy Context (including relevant previous decisions)

4.1 No previous decision taken on this issue although an Improvement Grant Policy was approved in 1998. The existing policy can no longer be applied under the regulatory Reform Order.

5. Relevance to Corporate Priorities

5.1 The Strategy addresses 3 of Harrow's Corporate objectives in that it will:

5.2 Enhance the environment in Harrow by promoting higher environmental standards and the provision of and sustaining of a healthy, safe environment for those living in, working or visiting Harrow.

5.3 Improve the quality of health and Social Care through the provision of housing and the encouragement of a viable local economy.

5.4 Encourage the development of a prosperous and sustainable economy by providing support for the Council's Environment Statement of continuously improving the quality of life for the people of Harrow.

6. Background Information

6.1 Harrow's vision is to become the driving force behind Private Sector Housing Renewal in the Borough, enabling and influencing policy, delivering services that make a positive difference to individuals, communities, and develop an inclusive and sustainable environment to live and work in.

6.2 The aims and objectives have been set in relation to National, Regional and Local Housing priorities and using current information from Local Demographics, Stock Condition, The Local Housing Market, Poverty/Wealth Streams, Housing Need and Demand, Current Service demands and key health and social care priorities.

6.3 In order to provide a supply of good quality, sustainable, secure and affordable private sector housing, the primary objective in relation to the grant policy is to target

investment to promote regeneration and strengthen local communities. The aim is to improve the housing stock and protect the occupant's health, which can be placed at risk by poor conditions.

6.4 In relation to this objective the Private Sector Housing Renewal Strategy sets out how the council will:

- Administer a transparent policy and criteria for awarding Discretionary Grants targeted at those living in the worst conditions who are least able to afford the necessary works of repair and improvement. This will be based on the condition of properties as well as the financial means of the applicant to deliver strategic priorities.
- Bring empty properties back into use to assist with wider area regeneration and provide people in need with greater availability of properties to rent or buy
- Seek to secure continuous improvements in energy efficiency performance and the alleviation of fuel poverty through working with partners to identify opportunities to seek additional resources, make strategic links and target the poorest households and properties.

6.5 Housing Renewal grants deliver a key intervention role in delivering the Council's Private Sector Housing Renewal Strategy. Through the targeting of grant aid at the private rented or owner occupied sector, a financial incentive is given to owners to improve their properties assisting in the general renewal of Harrow's housing stock. The Renewal Grant Service also administers Disabled Facilities Grants to enable adaptation to address the needs of disabled people.

6.6 The Policy is intended to address the needs of those living in the worst conditions, who are least able to afford the necessary works of repair and improvement. The Supporting People, Harrow Partnership and Housing Strategy Priorities will inform future development of this policy.

6.7 The policy is also intended to address the requirements of Best Value indicators BV62 and BV64. These place specific requirements on the authority to reduce the number of unfit premises and empty properties within the borough, respectively. The grant policy is targeting the limited resources at these priorities and to support the renewal tools in use and ensure that grants decrease the number of non-decent homes within the borough in line with current guidance.

7. Priorities for Grant Aid

7.1 The following priorities for the provision of grant aid, in order of importance, have been identified:

- Provision of mandatory disabled facilities grants to those who qualify.
- Provision of discretionary disabled facilities grants for eligible works above the statutory mandatory limit to those who qualify having been refused assistance under the Houseproud Equity Release Scheme.
- Discretionary grants for owner occupiers on low income living in statutorily unfit housing, who qualify for grant and can establish a three year residency.

- Discretionary home safety grants where applicants, or the applicant's spouse or partner, is aged 60 years or over who are on a means tested benefit, or for people identified as being at risk by or referred from the councils Domestic Violence Unit or Crime Prevention Panel regardless of age.
- Discretionary home repairs assistance grants for applicants over 60 and those under 60 years in receipt of a qualifying means tested benefit, living in a dwelling with minor defects.
- Discretionary renewal grants to potential landlords for bringing back into use long term vacant dwellings or convert vacant space to residential accommodation on condition that the rent is affordable and that the Council has nomination rights.
- Discretionary grants to Landlords of houses in multiple occupation in order to provide a safe means of access in case of fire and essential amenities in support of our registration scheme.
- Discretionary grants for landlords of single occupancy dwellings which are unfit and where the landlord can demonstrate that financial assistance is necessary.

This is a list of the council's private sector renewal grant priorities for 2003/4 and it accepts that adequate funding may not be available to achieve all these aims. Where finance is restricted or demand exceeds the finance available applications will be dealt with in priority and then date order.

8. Summary of Grant Assistance

8.1 A summary of the assistance available in the current Renewal policy is given below:

- **Home Repair Grants:** are available to carry out works of minor repair and improvement to a dwelling for people over 60 subject to a test of financial resources, or under 60 and in receipt of a means tested benefit.

The total value of grant assistance that may be given in respect of any one application is £5,000.

Or

In respect of the same dwelling, during any period of 5 years, the total value of grant assistance that may be given is £10,000 and the minimum period between approvals is 1 year.

- **Equity release loans/HouseProud Repayment Loans:** The system is not a replacement for the renewal grant system, as many properties and people, especially in the rented sector, will fall outside the criteria. It will however provide essential supplement that levers in private sector money, enabling scarce resources to be specifically targeted. The loan may also represent a client's contribution towards a grant, particularly with Disabled Facilities Grants, or to fund discretionary work in addition to the mandatory grant provision.

This scheme is designed to assist the elderly (over 60's) and the disabled of any age to access a variety of loan finance using the value of your home as equity.

There are 3 loan options:

Capital Release Loan: This loan is usually available to single people and couples who are 75 or older. Couples must make a joint application. The loan will be repaid when your home is sold, for example after your death. The amount to be repaid will be the original amount borrowed, plus accumulated interest.

Interest Only Loan: This loan is available to single people or couples who are 60 years or older or households with a disabled person of any age. Only the interest on the loan is payable each month. Interest continues to be paid until the property is sold. The amount you borrow does not reduce and is repaid when the house is sold.

Capital and Interest Loan: This is a mortgage type loan which is available to single people or couples aged 60 or older or to households with a disabled person of any age. The monthly repayments cover both the interest and part of the original amount borrowed (the capital).

- **Housing Renewal Assistance Grant:** This form of grant assistance, which is repayable on sale of the dwelling, is available to enable a dwelling to be made fit for human habitation or to carry out other substantial or structural works. The grant is subject to a test of resources unless the applicant is in receipt of income support or income related job seekers allowance.

The total value of grant that may be paid in respect of any one application is £25,000.

On completion, the dwelling should, in the opinion of the Improvement Grant Officer, be in a reasonable state of repair and meet the decent homes standard.

- **Home Safety Grant:** This grant is available where the applicant, or the applicant's spouse or partner, is aged 60 years or over who are on a means tested benefit, or occupants at risk or clients referred from the councils Domestic Violence Unit or Crime Prevention Panel regardless of age.

The grant is available for the following works materially affecting the fabric of the building or safety of the occupant. Works of an emergency nature requiring immediate attention that is affecting the health and safety of the occupants and Works specified in the referral from the councils Domestic Violence Unit or Crime Prevention Panel.

The total value of grant assistance that may be given in respect of any one application is £1,000.

These works will normally be managed through the Home Improvement Agency and undertaken by the Handyperson Scheme.

- **Empty Properties Grant:** This grant is available to the owner of an empty property to fund essential works to bring an empty property back into use. Grant assistance will be conditional on the works proposed meeting with the Empty Property Strategy.

Where no nomination rights are given to the council the total value of grant assistance that may be given in respect of any one application is £10,000 of eligible expense repayable on disposal of the property.

Where nomination rights are given to the council the total value of grant assistance that may be given in respect of any one application is on a sliding scale and repayment of the grant is on a sliding scale dependent on the period of nomination. The scales are detailed in the Renewal Grant Policy.

- **HMO Grants:** This Council operates a Registration Scheme for Houses in Multiple Occupation (HMO's). HMO grants are available to help landlords provide basic

amenities, fire proofing works and disrepair which is affecting the health and safety of the occupants only to meet the HMO Registration Scheme standards.

In order to be considered for grant assistance in respect of an HMO, the landlord must make a full application prior to enforcement action of any nature being taken by the Private Sector Housing Enforcement Team.

Where no nomination rights are given to the council the total value of grant assistance that may be given in respect of any one application is £10,000 or 50% of the eligible expense, whichever is the less repayable on disposal of the property .

Where nomination rights are given to the council the total value of grant assistance that may be given in respect of any one application is on a sliding scale for up to 50% of the eligible expense of works dependant on the period of nomination.

Repayment of the grant is on a sliding scale dependant on the period of nomination The scales are detailed in the Renewal Grant Policy.

- **Disabled Facilities Grant:** The Council wishes to assist owners, tenants and landlords with adaptations for disabled occupants to remain independent in their accommodation and have access to all the facilities necessary for independence and safe occupation.

In all cases of enquiries for Disabled Facilities Grants the Council has a duty to consult its Occupational Therapy Team in Social Services. The Occupational Therapy Team will carry out an assessment of the disabled person's needs and make recommendations to the Grant Office. This will ensure that the proposed works are necessary and appropriate to the disabled person's needs.

The amount of grant payable will be in accordance with the prescribed test of the applicant's financial resources and subject to the maximum grant, which is set by directions given by the Secretary of State.

Where the eligible cost of works and professional fees incurred are in excess of the maximum mandatory grant able to be paid (currently £25,000), the applicant for grant will in the first instance be directed to the Council's HouseProud Equity Release Scheme. Where the applicant is eligible for a loan under the scheme to finance the cost of works in excess of the eligible amount they will not be eligible for a discretionary grant in this respect. If they do not wish to take up a loan under this scheme they must find an alternative means of financing the works in excess of the eligible amount.

Where an applicant is not eligible for a loan under the HouseProud scheme a Discretionary DFG will be provided, subject to available finance, for the full value of the works. This discretionary element of the grant will be repayable on disposal or the sale of the property

9. **Development and Review**

- 9.1 The Private Sector Housing Renewal Grant Policy will require regular review and development to ensure that it is aligned with the Community Plan, New Harrow Project and Regeneration Strategy and development of housing/regeneration needs base data to inform service provision.
- 9.2 The Strategy will be reviewed following the launch of the Community plan to ensure that the range of grants available are effectively targeted at the emerging priorities.

10. Consultation

- 10.1 Extensive internal and external consultation has taken place during the preparation of the policy including the Landlords Forum, Private Sector Housing Challenge event and the Housing Conference which were used as consultation events in drawing up the policy. Further consultation will be conducted during development and review.

11. Finance Observations

- 11.1 There are no significant direct financial implications identified within this report at present as expenditure will be contained within the Capital provision for Private Sector Renewal. Successful implementation of the Strategy will however be dependant on maintaining Capital provision to support direct assistance preferably through the establishment of a long-range (3-5 year) capital finance planning process to allow for better forward planning of services. This will be coupled with the investigation of alternative funding opportunities and delivery systems to underpin capital funding provision.
- 11.2 It should be noted that the inclusion of the condition regarding payback of grant on disposal of the property with no time limit, on the grants specified in the policy, will result in a significant proportion of Capital expenditure being returned to the Authority over time. The rate at which this will occur is not predictable. The future use to which these returned monies should be put will be subject to decision at a later date.

12. Legal Observations

- 12.1 Incorporated within the body of the report.

13. Conclusion

- 13.1 The Regulatory Reform Order requires the provision of a clear and transparent policy and criteria for awarding grants, based on the condition of properties as well as the financial means of the applicant, to deliver strategic priorities. The type of Grants available and the conditions attached to them are set out in detail in the Housing Renewal Grant Policy.
- 13.2 Before Harrow Council can use these new powers the Private Sector Housing Renewal Grant Policy must be adopted and published.

14. Background Papers

Housing Strategy 2002 – 2007

West London Housing Strategy 2003

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and associated guidance documents

Private Sector House Conditions Survey 2000

Draft Harrow Economic Regeneration Strategy

Empty Properties Strategy 2003

Housing Policy Statement, 'The way Forward for Housing'

London Housing Statement 2002, 'Working Towards Solutions

Government Office for London's 'Regional Housing Priorities in London.'

English House Conditions Survey 2002

Harrow Housing Needs Survey 2000

Harrow Supporting People Strategy 2002

The Decent Homes Target Implementation Plan 2003

National Census 2001

House Conditions Survey 2000.

15. **Author**

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