
16th March 2009

Meeting of the Executive Member for Housing and Adult Social Services and Advisory Panel

Report of the Director of Housing and Adult Social Services

Changes to the Grants and Assistance Policy

Summary

1. This report outlines the proposed key changes to the Grants and Assistance Policy to take account the findings of the private stock condition survey and is a response to the challenges identified in the new Private Sector Housing Strategy agreed by EMAP on 8th December 2008. The proposed changes are to ensure that:
 - i) we are maximising both the disabled facilities grant and the Regional Housing Board funding through the recycling of monies. This is inline with our regional partners
 - ii) the programme is aimed at providing a safety net for vulnerable people across the private sector
 - iii) the programme is contributing towards the corporate objectives and in particular the LAA targets

Background

2. One of the key actions of the 2008-2013 Private Sector Housing Strategy was to review the existing grants and assistance policy to ensure that it contributes to the five key aims of the strategy, which are:
 - Encourage and support owner occupiers to maintain and repair their homes and introduce energy efficiency measures
 - Encourage private landlords to provide good quality and well managed properties for their tenants
 - Help people whose independence may be at risk remain in or return to their homes
 - Maximise use of existing housing stock to increase the supply of decent affordable homes
 - Strengthen existing and develop new partnerships to support the private housing sector
3. These strategic aims were agreed following the Private Sector Stock Condition survey 2008 (PSSC) and in consultation both with the private sector steering group, residents of York and landlords and letting agents. The main issues raised by the PSSC found were :
 - Association of poor housing conditions and vulnerable households;

- Levels of equity owner occupiers have in their properties;
- Above average rates of poor condition in the Micklegate, Guildhall and Hull Road areas;
- Poor performance in the private rented sector especially in shared multi occupation properties;
- Concentration of poor conditions in pre 1919 housing and converted flats.

4. The following highlights the key proposed changes to the grants and assistance policy, which are:

- i) Proposed changes to the **discretionary adaptations grant to a disabled adaptation loan**. Currently this grant from the Social Services Capital programme is used to top up the Disabled Facilities Grant (DFG) where the cost of the eligible work is more than the DFG maximum of £30k. In addition we are proposing to limit the normal amount of funding per application to £10k unless the applicant is able to demonstrate that they can not access a commercial loan. The increase in the number of applications which are more than £30k has risen year on year placing increase pressure on the budget. Limiting both the amount per application and changing it to an interest free loan repayable on transfer of title will maximise the amount of capital funding available and recycle monies for future investment in adaptations.
- ii) The proposed changes to the assistance for homeowners to help them maintain their homes
 - a. The replacement of the **York repair and security grant** with an interest free loan **home safety loan** aimed at resolving health and safety problems known as Category 1 hazards¹ including security measures identified by the Safer York Partnership. This approach will compliment the Regional Scheme called the Home Appreciation Loan² (HAL), which seeks to ensure that homes meet the higher decency homes standard. It will enable the council to continue to offer help to the most vulnerable but recognises that there is significant equity in properties, estimated overall to be more than £9 billion pounds in York with an average equity per owner occupied home of more £155,525 against an average improvement of £4,748 per home. These changes will also maximise our regional housing board allocation and ensure the recycling of monies for vulnerable persons back in to future programmes of investment for the private sector.

The proposed reduced limit from £6k to £4k will mean that more vulnerable people can be helped each year and will compliment the proposed changes to the regional home scheme as the lower limits of the

¹ Category 1 Hazards: A statutory assessment of housing conditions – the presence of a category 1 hazard represent statutory failure

² Home Appreciation Loan – An equity release loan delivered in partnership with the Regional Loan Service. A Sub Regional loans officer is employed to help residents access the home appreciation loan

HAL will be raised from £2k to £ 4k . Where clients are eligible for both types of loan if the cost of the eligible work is more than £4k the home appreciation loan will be offered only.

- b. **The continuation of the energy efficiency grant** which is targeted at vulnerable customers who fall out side of the government scheme and to introduce a new “**top up**” grant of £500 for applicants who are eligible for Warmfront. Currently we help such customers if there is a shortfall in funds for the specified work through the York Repair Grant. With drawing this grant without providing a simple to up grant could see vulnerable customers not accessing essential measures such as heating and insulation.
- iii) We are also proposing changes to the help offered to owners of private rented accommodation. The PSSC confirmed that this sector continues to grow (17.8%) but also demonstrated that the worst property conditions were in this sector with 28.3% of homes found to be non-decent and that rates of fuel poverty were twice the city average. The key contributing factor to non – decency included category 1 hazard failures (excess cold) and poor energy efficiency. The private rented sector was found to be biased towards pre war terraced housing, converted flats and post 1981 purpose built flats .
- a. Therefore it is proposed to replace the current decent homes grants, which were aimed at helping licensable HMOS with a new decent homes loan, and to introduce a new **affordable warmth grant** . The HMO inspection program is now in to its third year but there are still more than 200 properties, which require inspection. The PSSC found that this continues to be the worst sector with more than 37.2% of the properties found to be non-decent and the category 1 hazard rates were significantly higher 21.1% compared to 9.5% in all properties.
 - b. It is also proposed to compliment our existing work with Energy Partnership to introduce a new **affordable warmth grant** targeted at the work required by the newly introduced Energy Performance Certificate .This will help to improve properties in the worst sector and areas and contribute to the council wider targets relating to fuel poverty and climate change (NI 186 and NI187).
 - c. The third proposed change to policy is to add a second **the empty homes grant**. The second grant seeks to compliment the existing scheme and extends the help available to owners of properties who seek to establish a formal agreement with the proposed new social letting agency later this year. It will work on similar principles to the existing empty homes grant but with a reduced grant offer of £10k as it is proposed that the length of time for the formal agreement will be a minimum of three years. Exact details are still to be worked up but this grant is aimed at ensuring that the property meets the decent homes standard

Consultation

5. Consultation has taken place with the Private Sector Steering group members, the Housing Standard and Adaptations Team, the Service Manager, Homelessness, and the proposed policy changes reflected the views of the consultation exercise with residents following the Private Sector Stock Condition Survey.

Options

6. The options available to the Executive Member are:
 - **Option 1.** To revise the existing policy in line with above proposed policy changes relating
 - **Option 2** –Maintain the current policy with no revisions
 - **Option 3** to amend the above proposals

Analysis

7. **Option One** – Will deliver a new assistance programme which is aligned with the new Private Sector Strategy and which aims to make best use of resources by recycling more money into future investment programmes whilst recognising that the council should continue to provide a safety net for the most vulnerable residents.
8. **Option Two** – Will result in the council not having clear policies based on the new evidence base and will not contribute to the agreed five strategic aims.

Corporate Priorities

9. This report contributes to three of the Council's seven direction statements and four corporate priorities.

Direction statements

- Our ambition is to be clear about what we will do to meet the needs of our communities and then to deliver the best quality services that we can afford
- We want services to be provided by whoever can best meet the need of our customers
- We will promote cohesive and inclusive communities

Corporate Priorities

- Improve the health and lifestyles of the people who live in York
- Improve the quality and availability of decent, affordable homes in the city.
- Improve the actual and perceived condition and appearance of the city's streets and housing estates and publicly accessible spaces

- Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city

Implications

10. The implications arising from this report are:
11. **Financial Implications** – The proposed changes outlined in this report can be achieved within existing budgets for the service. It is not anticipated that there will be any other additional costs incurred. There should be an increase in income received from the repayment of grants/loans, which will be used towards funding the housing grants and loans programme. As an estimate it is expected that additional income of £10k to £20k per annum will be received.
12. **Equalities** - Disabled facilities grants help the provision of adaptations to help the elderly and people with disabilities to remain in their homes. Providing assistance in line with the proposals will ensure that the council is helping as many people as possible.
13. There are no Legal Implications, Human Resources (HR), Crime and Disorder, Information Technology (IT), Property or other implications arising directly from this report.

Risk Management

14. The risks associated with the proposals in this report are low and score less than 16. In compliance with the Council's risk management strategy there are no risks associated with Option's 1 or 2 of this report

Recommendations

15. That the Advisory Panel advise the Executive Member to:

Approve Option one of this report and the new assistance policy including the provision that monies are recycled back into the future investment programmes for the private sector and adaptations.

Reason: To ensure that the new assistance policy contributes to the five strategic aims of the Private Sector Housing Strategy 2008-2013.

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Report Approved Date 11th Feb 09

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Report Approved Date

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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers:

The Grants And Assistance Policy —Last amended Dec 2008
Private Sector Housing Strategy 2008-2013

Annexes

Annex 1 - Proposed new City of York Council Assistance Policy
for the Private Housing Sector