

Title of meeting: Cabinet Member for Housing

Date of meeting: 10th July 2012

Subject: Financial Assistance Policy for Private Sector Housing

Report by: Head of Community Housing & Regeneration

Wards affected: All Wards

Key decision: Yes

Full Council decision: No

1 Purpose of report

- 1.1 To seek approval for a revised Financial Assistance Policy for Private Sector Housing Renewal in Portsmouth with changes introduced from what has been learnt in the past 12 months.

2 Recommendations

- 2.1 That the Cabinet Member for Housing approves the Financial Assistance Policy 2012 as detailed in Appendix 1 of this report and that it be adopted with effect from 17th July 2012

3 Background

- 3.1 The City Council adopted the current financial assistance policy in April 2011 in response to a change in funding arrangements. The Regional Housing Board that had been the conduit for Government funding for private housing improvement was abolished in 2010 and funding was stopped. In addition, since 2011, the grant received from Government to fund disabled adaptations has no longer been ring fenced. The city council also recently introduced a single pot distribution method for capital funds and annual bids have been required for the necessary funds to support the long-standing home improvement programme sponsored by the city council.
- 3.2 Against this setting, and keeping with the philosophy of providing assistance to the most vulnerable residents, a new policy was developed in 2011 orientated around providing even less grant products and providing more low cost loans to residents
- 3.3 The loans issued under the current 2011 policy are made on a fixed term repayment basis using a full financial assessment of the resident's ability to repay.
- 3.4 It was intended that by continuing to develop this movement towards more repayable fixed term loans and less dependency from grants, the financial model would see a reduced need to rely upon corporate resources in the medium term.

3.5 Despite a reduction in capital funding available for housing renewal, adaptation and improvement works, the Council still has mandatory duties under the following legislation:

- Housing Grants, Construction and Regeneration Act 1996 – mandatory provision of Disabled Facilities Grants
- Housing Act 2004 – mandatory implementation of the Housing Health and Safety Rating System (HHSRS) and the statutory duty to remove Category 1 hazards.

3.6 In addition to the legislative requirement placed on the Council, the adaptation, repair, and improvement of the city's housing stock makes a significant contribution to achieving the Local Strategic Partnership's and the Council's vision and strategic objectives, to regenerate the city, and support our vulnerable residents.

3.7 In 2012/13, the city council allocated £1,810,022 from its capital budget to undertake an agreed programme of grants and loans to improve and adapt the homes of the most vulnerable. The funding enables the Council to discharge its statutory duties, i.e. the mandatory duty to provide Disabled Facilities Grants and to remove Category 1 Hazards from properties through the HHSRS in accordance with the Housing Act 2004.

3.8 In addition to these legal requirements, assistance may be available to residents where this homeimprovement or adaptation would enable a saving to be made on other budgets within the council such as Social Care services.

4 Funding Allocation

4.1 As approved by Council in February 2012, resources to fund the Financial Assistance Policy in 2012/13 are as follows:

Support for Vulnerable People	
Corporate Contribution	£1,500,000
Professional Fees	£360,889
	£1,860,889
Decent Homes Standard	
Corporate Contribution	£300,000
Loan Repayments	£68,644
	£368,644
Total Funding	£2,229,533

5 Overview of Policy

5.1 In the revised Policy, it is proposed to keep the following assistance packages from the 2011 policy:

- Disabled Facilities Grants
- Disabled Persons Equipment Replacement Assistance
- Palliative Care Assistance
- Home Repair Grant
- Disabled Facilities Assistance
- Capital Repayment Loan
- Low start Capital Repayment Loan
- Interest Only Loan
- Vulnerable Person Loan

5.2 Assistance Packages not to be continued in the new policy

In accordance with the Cabinet decision to prioritise our mandatory duties, as well as to allocate funding where it could create financial savings elsewhere, the policy will no longer include Landlord Loan assistance. Although tenants in rented properties can suffer from poor housing conditions in the same way as residents that own their home, the landlord has responsibility for the standard of the property and, as a business, the landlord will need to access funds to carry out works to their properties from elsewhere.

In addition, issues relating to the health, safety and welfare of tenants in rented properties can be dealt with using enforcement action empowered by legislation such as the Housing Act 2004, reinforcing the responsibility on landlords to address poor housing conditions.

5.3 Additional Assistance Packages proposed

Over the last 12 months, we have learnt that some aspects of our assistance need to be supported in different ways or re-worked. Consequently, in addition to the existing packages highlighted in paragraph 5.1, the following packages are being proposed in order to specifically meet the objectives set by the Cabinet.

Category 1 Hazard Grant

A discretionary grant of up to £2,500 for a category 1 hazard..

Available to any owner-occupier to remove a Category 1 hazard from their property. This will help to fulfil our mandatory duty to remove category 1 hazards from properties.

Vulnerable persons Grant

A discretionary grant of up to £10,000 for significant hazards.

Available to those who are over 70? or have young children residing in the property and will be used remove serious hazards in the property and potentially create savings for the Social Care services.

This will help to fulfil our mandatory duty to remove Category 1 hazards from properties, and will help target assistance for our vulnerable clients that could otherwise incur higher costs to other budgets.

Empty Property Loan

A discretionary loan of up to £35,000 and repayable within 7 years.

To bring empty properties back into use and promote the availability of affordable housing. Empty properties can have a significant effect on neighbouring properties, which we will be able to address with this assistance whilst also providing affordable housing of a suitable standard.

Property Downsizing Loan

A discretionary loan of up to £3,000 to meet upfront costs of moving to a smaller more suitable property for clients of 65 years old older.

To encourage older people to move to properties that are more suitable for their changing needs rather than waiting until they can no longer cope in the home they live in, creating potential savings for social care services.

This will address problems with under occupation of properties, particularly encouraging owner occupiers that live alone or as a couple to move from large homes to smaller more manageable properties. This will have the added advantage of tackling fuel poverty for older clients who struggle to heat large properties, and will also have the benefit of making more family homes available on the market.

Property Marketing Loan

A discretionary loan of up to £5,000 to remove hazards in a property that has been on the market for 6 months or longer.

Available to owners of empty residential property conditional on property being occupied within 3 months after works

To proactively deal with problems in empty properties whilst also providing a boost to the local housing market and improve the standard of the local housing stock.

Interest Free Loan

A discretionary loan of up to £35,000 repayable monthly for a maximum of 10 years.

To help those that can support regular monthly repayments but are on a low income, to remove significant hazards from their property. This will help to meet our mandatory duties and potentially make savings to budgets elsewhere.

- 5.4 Grant and loan assistance packages will also be used, where appropriate, to install sustainability measures where external funding is not available. This will help to promote energy efficiency and sustainable living throughout the city.

6 Reasons for recommendations

- 6.1 The reduced allocation of capital funding for 2012/13 by the city council, compared to previous years, meant that it was necessary to prioritise only the authority's mandatory duties, i.e. to remove category 1 hazards and to provide Disabled Facilities Grants. It was also possible to provide limited assistance to residents where a saving to another Council budget could be reasonably foreseen. In the light of the learning done in the last 12 months, it was clear that the current Financial Assistance policy must be reviewed to ensure that the maximum effect is made with the limited resource available.
- 6.2 The new policy keeps an emphasis on low cost loans with a long-term view of recycling assistance, leading to a reduced need to rely upon corporate resources in the future. However, the introduction of additional grant aid means that funding can be more targeted and more specifically used to ensure savings are realised by other services within the council such as the Social Care assisting the elderly and vulnerable families with children.
- 6.3 The changes to the Policy will further enhance the way that this particular financial investment in the city's housing stock by the Council supports other priorities for the local authority and their partners. These include safe, independent living, addressing fuel poverty and preventing hospital admissions.

7 Equality Impact assessment (EIA)

- 7.1 An Equalities Impact Assessment has been undertaken for this policy
- 7.2 The revised Policy recommended for approval is designed to ensure that vulnerable people across all equalities strands have access to assistance where needed in an environment of reduced public funding. Detailed monitoring will continue of the uptake of the assistance across all equalities strands, with an update to be provided to the Cabinet Member for Housing.

8 Head of Legal, Licensing & Registrars' comments

- 8.1 The Council's statutory duties as local housing authority in respect of housing repair and adaptation are referred to in paragraph 3.5 of this report.
- 8.2 In addition to those duties the Council has discretionary power under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to improve living conditions in its area by providing assistance to any person for:
 - (a) the acquisition of living accommodation, where the authority wish to purchase a person's home or as an alternative to adapting, improving or repairing it;
 - (b) the adaptation or improvement of living accommodation (including by alteration, conversion or enlargement, and by the installation of things or injection of substances);
 - (c) the repair of living accommodation;

- (d) the demolition of buildings comprising or including living accommodation;
- (e) the construction of replacement living accommodation to replace living accommodation that has been demolished.

8.3 Under Part 2, Section 3 of the City Council's Constitution (responsibilities of the Cabinet) and further in accordance with the Scheme of Delegations at AppendixA to the Executive Procedure Rules in Part 3 of the Constitution, the Portfolio Holder for Housing has the authority to approve the recommendations set out in this report.

9 Head of Financial Services' comments

- 9.1 The proposals within this paper look at providing additional financial assistance packages to residents of the City, but do not seek additional resources to do so. The proposals aim to focus the provision on our mandatory duties of removing category 1 hazards, providing Disabled Facilities Grants, and providing assistance which will represent a saving to other budgets within the Council such as social care services.
- 9.2 The assistance will continue to be met from the previously approved resources identified in paragraph 4.1 for 2012/13 and all future years funding will be approved as part of the Council's overall Capital Programme.

.....
Signed by:
Alan Cufley Head of Community Housing & Regeneration

Appendices:

Appendix 1 – Private Sector Housing Financial Assistance Policy 2012

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
NIL	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:
Councillor Steven Wylie
Cabinet Member for Housing