

COMMITTEE:	Cabinet
DATE:	10 April 2002
SUBJECT:	Housing Renewal Reforms and Private Sector Housing Grant Policy
REPORT OF:	Residential Services Manager, Environmental Health
Ward(s):	All
Purpose:	To seek Members approval for the private sector grant policy for 2002/2003 and update Members on the proposed changes to the legislation on Private Sector Housing Renewal.
Contact:	Andrew Berry, Telephone 01323 4153954 or internally on extension 5394.
Recommendations:	That the Cabinet: <ol style="list-style-type: none"> 1. Approves the revised private sector housing grant policy set out in Appendix 1. 2. Notes proposed changes to the legislation on Private Sector Renewal
1.0	<u>Introduction</u>
1.1	The purpose of this report is to review: <ul style="list-style-type: none"> · The Council's existing housing grants policy. · The proposed changes to housing grants legislation and guidance that the Government is likely to introduce in May 2002.

1.2	The current private sector grant policy was agreed on 18 April 2001 and is attached as appendix 2.
1.3	On 13 th December 2001 the Government laid before Parliament a draft Order entitled the Regulatory Reform (Housing Assistance) (England and Wales) Order and an explanatory memorandum from the Department for Transport, Local Government and the Regions. The proposed Regulatory Reform Order would remove many of the detailed provisions that govern the way local authorities carry out housing renewal. This will be replaced with a broad power to allow authorities to provide financial and other assistance for home repair and improvement.
1.4	The Order is likely to come into force during May 2002 and the Council will need to have a policy published by May 2003. The Government recognises that the proposals are complex and that preparing a policy will require considerable input.
1.5	<p>The Government intends that the removal of the burdens of the current legislation will result in a variety of benefits.</p> <ul style="list-style-type: none"> · More discretion for authorities to address the specific needs of their area. · More effective use of resources allowing more people to be helped than under local authorities present powers. · More choice for homeowners and disabled people, for example between a grant or a loan, or between help with improvements or with a move (thus helping to prevent people from being trapped in an unsuitable home.)
1.6	Mandatory Disabled Facilities Grant would be left largely unchanged by the proposed Order.
2.0	<u>Proposed Grant Policy for 2002/3</u>

2.1	<p>The Council's current private sector housing grants policy has proved to be effective at targeting our resources in line with the objectives of our Housing Strategy. The grant report dated 18th April 2001 explained the principles behind the previous policy and is attached as Appendix 2.</p>
2.2	<p>Over the past year the Council's grant policy has been very successful in improving living conditions for residents and there has been a good uptake of grants. In addition, the limit on Home Repairs Assistance has been raised by the Government from £2,000 per applicant in any three-year period to £5,000, without any restriction on the number of applications over time. To ensure that the current level of grant commitments and expenditure does not exceed the increased resources available in the 2002/03 Housing Investment Programme it is proposed that the Council restrict Home Repairs Assistance for essential repairs to the over 60s on means tested benefits to enable these residents to stay in their own homes. The current position is that Home Repairs Assistance is available for those on means tested benefits without age restriction. The exception to this is HRAs for heating and insulation which are also available for over 70s with or without benefit and for those in receipt of Warm Front Grants.</p> <p>HRAs for fire precautions work required by this Council and for improved home security will be unaffected. HRAs for heating and insulation will be available for those on benefit under the current proposals. This minor change will contain the programme and refocus on the most vulnerable clients.</p>
2.3	<p>This revised policy will provide an excellent opportunity to assist vulnerable elderly residents, the disabled and those with low incomes. The policy targets:</p> <ul style="list-style-type: none"> · unfit and empty properties · improvements in energy efficiency · improvements in home security · fire precaution work in HMOs · disabled adaptations. <p>It seeks to enable the elderly and disabled to stay in their own homes.</p>

2.4	The revised policy will take effect for enquiries received after 10 th April 2002.
3.0	<u>Proposed New Powers</u>
3.1	<p>Proposed changes to the existing private sector grants regime will:</p> <ul style="list-style-type: none"> · Introduce a new power enabling local housing authorities to provide assistance for housing renewal. · Remove the detailed provisions in the Housing Grants Construction and Regeneration Act 1996 governing the use of renovation grants, common parts grants, discretionary disabled facilities grants, HMO grants, group repair and home repair assistance. · Streamline the provisions in the 1989 Act governing the declaration of Renewal Areas.
3.2	<p>The new power will enable local housing authorities to give assistance in any form and to any person to improve living conditions in their area. The power could be used for:</p> <ul style="list-style-type: none"> · Acquiring accommodation, either where the authority wishes to purchase a person's existing house or as an alternative to the adaptation, improvement or repair of their existing home · Adapting, improving or repairing accommodation · Demolishing accommodation · Replacing accommodation that has been demolished.

3.3	<p>The power will be subject to certain limitations set out in associated guidance. In particular the exercise of the power would be subject to the requirement that it be used in accordance with a published local policy on housing renewal assistance. Authorities will be able to use the new power as soon as they have published their policy. To allow them time to do this, existing powers will remain in place for a period of 12 months after the Order comes into force.</p>
3.4	<p>Non statutory guidance from the Department for Transport, Local Government and the Regions (DTLR) will accompany the Order. The guidance will set out good practice and contain over-arching principles such as the need to:</p> <ul style="list-style-type: none"> · Give priority to the most vulnerable households, in particular to disabled and older householders · Act only in accordance with a published policy on housing renewal assistance. This will link in with EBC's wider housing strategy and to health and social care strategies for vulnerable groups and also to wider planning and regeneration strategies; · Obtain best value from the resources available and provide advice on tackling fraud. <p>The Government envisages that published policies will be integrated within the wider housing strategy for each authority.</p>
3.5	<p>The current legislation rightly targets assistance for home improvement on poorer owner-occupiers. This does however create a problem for authorities who wish to carry out area based renewal where there is a variety of tenures. In encouraging authorities to take a strategic view to housing renewal, the Order would allow them to provide assistance in relation to all tenures e.g. in the context of a Renewal Area.</p>

3.6	<p>The Council has a Best Value duty to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. We are required to set local targets for the two private sector renewal-related Best Value Performance Indicators, BV62 (proportion of unfit dwellings made fit or demolished) and BV64 (proportion of empty dwellings made fit or demolished). To help meet the targets in future authorities will be encouraged to consider, amongst other things, the use of grants, loans or other financial assistance to help renovate, repair or clear properties.</p>
3.7	<p>While it is understandable that many are in favour of the principle of offering loans the government acknowledges that loans will not be a panacea and a grants function must be maintained. The very poor and vulnerable may not be able to afford the burden of loan repayments. It is anticipated that grants and loans could be offered together as part of a co-ordinated private sector renewal strategy to support the Council's aim to help everyone to have a decent home.</p>
3.8	<p>The proposals would modify legislation regarding Renewal Areas, which includes powers of compulsion. A number of safeguards to ensure that they are used properly for the benefit of local residents will be retained:</p> <ul style="list-style-type: none"> · the requirement to carry out a social and economic assessment before declaring a Renewal Area; · the requirement to consult local residents before declaring a Renewal Area and to publicise its declaration; and · the requirement to keep local residents informed during the Renewal Area process and to notify them of any change to the original declaration. <p>The Government proposes to set out in legislation and guidance how proposed Renewal Areas should be assessed and publicised.</p>

3.9

The Government has stated that it expects local authorities to respond to the changes in the following ways:

- by taking a strategic rather than process-driven approach, that recognises the links between housing renewal and other policy areas
- by developing a clear understanding of the local housing stock, the characteristics and dynamics of the housing market within and beyond the authorities boundaries, the social and economic conditions of the area and the needs of key client groups
- by focusing on achieving key outcomes through well targeted investment – e.g. on improving health and well-being and sustaining markets
- by developing clear action plans aligned with achieving key Government objectives
- by promoting self-reliance and sustainable regeneration
- by pursuing best practice, innovation and value for money
- fairly and consistently, taking account of what participants can realistically afford to contribute
- by working with a range of local interests
- by involving local residents as partners and offering them a say

3.10	<p>The guidance will be split into two main sections:</p> <ul style="list-style-type: none"> · steps local authorities should take in setting its policy · practical guidance on the use of the new general power and new Renewal Area powers
4.0	<u>Consultations</u>
4.1	<p>Care and Repair, Age Concern, Sussex Police Community Safety Department and Eaga have been consulted and are supportive of the proposed private sector housing grants policy 2002-2003.</p>
4.2	<p>A new five-year housing strategy is currently being prepared. This will be completed in July 2002 and will cover the period 2003-2008.</p>
4.3	<p>Extensive consultation is already underway in relation to the development of this Housing Strategy.</p>
4.4	<p>A further specific member event is planned for 17 April when we envisage more detailed discussions concerning the current private sector house condition and energy survey and possible recommendations arising from the survey.</p>
4.5	<p>We are currently in discussion with other local authorities across Sussex and with Home Improvement Agencies to explore opportunities for partnership working e.g. it may be appropriate to engage a suitable partner to deliver loans and/or financial advice. It will be a strategic judgement to decide in what circumstances to offer grants, loans or a combination of both.</p>
4.6	<p>We anticipate that a draft policy report will be available for consideration by Cabinet during the coming financial year, subject to implementation of the reform order and publication of associated guidance.</p>
5.0	<u>Human Resources</u>

5.1	There are no additional human resources issues in implementing the amendment to the Council's private sector housing grants policy.
6.0	<u>Environmental and Anti-Poverty Implications</u>
6.1	The proposed grant policy for 2002/2003 targets vulnerable elderly residents on benefits, the disabled, repair of unfit and empty properties and improvements to energy efficiency. Approximately 200 of the most vulnerable local households will be assisted this year, as a direct result of adopting this private sector housing grant policy.
7.0	<u>Community Safety (Section 17 Crime and Disorder Act 1998) Implications</u>
7.1	The grants that relate to home security will help reduce and prevent domestic burglary and the fear of crime.
8.0	<u>Financial Implications</u>
8.1	The Housing Investment Programme agreed by Council on 27 February 2002 incorporates a provision of £403, 000 for Disabled Facilities Grant and £485,000 for other private sector grants. The programme will be financed by capital receipts, specific grants and borrowing approvals from the DTLR and has been developed in line with the Council's overall Capital Strategy.
8.2	It should be noted that future Housing Investment is in part dependant upon the generation of future capital receipts.

8.3	Regular monitoring of our commitments and expenditure will continue to take place as part of the HIP monitoring process. The Head of Environmental Health is authorised to suspend or limit the policy in conjunction with the Cabinet Member with responsibility for Residential Services should commitment exceed the budget.
8.4	This policy has been drafted to maintain performance in line with budgetary targets and ensure that spend of allocated HIP is maximised.
9.00	<u>Conclusion</u>
9.1	The private sector housing grant policy should be amended as proposed. The Government's housing renewal reform proposals should be noted.
Andrew Berry Residential Services Manager Environmental Health	
Background Papers: The Background Papers used in compiling this report were as follows: The draft Regulatory Reform (Housing Assistance)(England and Wales) Order 200[2] and accompanying explanatory document. To inspect or obtain copies of background papers please refer to the contact officer listed above.	

Appendix 2

COMMITTEE:	Cabinet
DATE:	18 April 2001
SUBJECT:	Private Sector Housing Grant Policy

REPORT OF:	Residential Services Manager, Environmental Health
Ward(s):	All
Purpose:	To seek Members approval for the private sector housing grant policy for 2001/2002, make minor changes to the delegated powers and advise Members of proposed changes to the legislation on Private Sector Housing Renewal
Contact:	Andrew Berry, Residential Services Manager Telephone 01323 415394 or internally on extension 5394
Recommendations:	<p>That the Cabinet:</p> <ol style="list-style-type: none"> 1) Approves the revised private sector housing grant policy set out in Appendix 1. 2) Authorises the Head of Environmental Health to determine applications outside the policy in consultation with the Cabinet Member with responsibility for Residential Services. 3) Authorises the Head of Environmental Health in consultation with the Cabinet Member with responsibility for Residential Services to determine applications to waive or reduce the level of grant repayment under the terms of The Housing, Grants Construction and Regeneration Act 1996 (Grant Repayment) General Consent 2000. 4) Authorises the Head of Environmental Health in consultation with relevant officers and the appropriate Cabinet Member with responsibility for Residential Services, to enter into an agency agreement with EAGA to deliver certain Home Repairs Assistance Grants. 5) Authorises the Cabinet Member for Residential Services to write to the DETR supporting the proposals set out in the reform of the Housing Grants, Construction and Regeneration Act 1996, Local Government and Housing Act 1989 and Housing Act 1985.

1.0	<u>Introduction</u>
1.1	<p>Local Housing Authorities have powers, under the Housing Grants, Construction and Regeneration Act 1996, to give a range of grants for home improvement in the private sector. These include:</p> <ul style="list-style-type: none"> · Home Repair Assistance · Disabled Facilities Grant <p>Local Authorities also have powers, under the Housing act 1985, to give loans for home improvement, at prescribed interest rates. A number of the main grants, including renovation grants, are subject to a test of the applicant's resources.</p>
1.2	<p>The current grant policy was approved by Cabinet in April 2000. The policy has proved to be effective at targeting our resources to meet the objectives of the Housing Strategy.</p>
1.3	<p>It is proposed that only minor changes are made to take account of:</p> <ul style="list-style-type: none"> · changes in private sector grant legislation and means tested benefit legislation · feedback from residents in relation to works required to provide an adequate means of escape in case of fire · an agency agreement with EAGA to integrate energy efficiency funding from various sources. <p>This revised policy will provide an excellent opportunity to assist vulnerable elderly residents, the disabled and those on benefits. It targets unfit and empty properties, improvements in energy efficiency and works to enable the elderly and disabled to stay in their own homes.</p>

1.4	<p>The revised grant policy of the Council is set out in Appendix 1. Applications outside this will be considered on their own merits. A process was agreed at the 9th February 2000 Cabinet which allows applications outside the policy to be determined in consultation with the relevant Cabinet Member and Opposition Spokesperson. It is proposed that these applications will now be determined in consultation solely by the Cabinet Member with responsibility for Residential Services.</p>
1.5	<p>The Eastbourne Private Sector House Condition and Energy Survey 1997 concluded that there were approximately:</p> <ul style="list-style-type: none"> · 1524 private dwellings unfit for human habitation. · 2368 private dwellings unfit and/or in serious disrepair. · 9707 private sector dwellings including individual self contained flats which form part of houses in multiple occupation failing to provide satisfactory amenities and/or means of escape from fire. <p>Housing condition problems tend to be associated with households in social and economic disadvantage. This is particularly so for the elderly and those on low incomes. Energy efficiency levels among elderly households are also lower.</p>
1.6	<p>To ensure that we are targeting the right issues/people we are conducting a further survey this year that will inform the decision making process for capital spending in 2002/03.</p>
1.7	<p>The Audit Commission have recently introduced a Best Value Performance Indicator for the proportion of unfit private sector dwellings made fit or demolished as a direct result of action by the Local Authority. The proposed policy will promote improved output with respect to this performance indicator and PIs on empty homes and community safety. I.e. the proportion of private sector dwellings that have been vacant for more than 6 months that are returned into occupation as a direct result of action by the Local Authority and domestic burglaries per 1000 households.</p>

1.8	<p>This revised grant policy will assist in meeting the following objectives in the 2001-2002 Housing Strategy Update.</p> <p>Strategic Objective 2 - Increase the Supply of Safe Good Quality Housing</p> <p>Strategic Objective 5 - Make Best Use of Existing Properties</p> <p>Strategic Objective 7 - Improve Stock Condition in all Tenures</p> <p>Strategic Objective 9 - Improve Energy Efficiency Across all Tenures</p> <p>Strategic Objective 11 - Enhance the Environment we Live in</p> <p>Strategic Objective 13 - Reduce Poverty</p> <p>Strategic Objective 14 - Create Safe and Balanced Communities</p>
2.0	<u>Renovation Grant</u>
2.1	<p>Renovation Grants are major grants to repair and improve residential homes. These are targeted on unfit properties built before 1945, and on bringing empty properties back into use. The proposed changes to existing agreed Renovation Grant policy are given in 2.2 – 2.5.</p>
2.2	<p>The Housing Grants, Construction and Regeneration Act 1996 (Grant Repayment) General Consent 2000 has amended the grant legislation. Where a local housing authority have a right to demand repayment of a grant under Sections 45, 46, 47 or 135 of the Act for example on sale of the property they may determine not to demand repayment or to demand a lesser sum, where they are satisfied that the disposal falls within one or more of the cases referred to in the consent eg hardship. It is proposed that the Head of Environmental Health be authorised to exercise this discretion in consultation with the Cabinet Member with responsibility for Residential Services on behalf of the Council.</p>

2.3	Landlords as well as owner occupiers can apply for a Renovation Grant. A formula for landlords application for grant will be used to calculate the percentage of a maximum grant which should be given. For landlords the maximum grant will be up to £20,000 for an Empty Property Grant and £12,000 for other Renovation Grants.
2.4	Empty Property Grants will be available for properties which are unfit or in substantial disrepair or to provide one or more dwellings by the conversion of a house or other building, in Seaside Road in support of the Seaside Road Regeneration Strategy and the proposed Heritage Economic Regeneration Scheme (HERS). The property must have been empty for more than a year for reasons other than probate or where the occupier has moved to residential care.
2.5	Eastbourne Borough Council has the discretion to impose a condition of grant relating to tenant nomination rights which enables the Council to nominate tenants to the property. The Head of Environmental Health is authorised to exercise this discretion as appropriate from now.
3.0	<u>Home Repairs Assistance</u>
3.1	Home Repair Assistance is currently offered to assist with essential repairs, eg to enable the elderly to "stay put", to improve home security or to improve heating and insulation. Home Repair Assistance is a discretionary form of assistance which was up to £2,000 for those in receipt of benefits or for those over 60 in receipt of retirement pension only and with savings of less than £5,000. The Disabled Facilities Grants and Home Repair Assistance (Maximum Amounts) (Amendment) (England) Order came into force on 2 nd April 2001 and increased the Home Repair Assistance limit from £2,000 to £5,000.
3.2	It is proposed to also offer Home Repairs Assistance to eligible households where essential means of escape or other fire precaution works are required following service of a Minded To Section 352 Notice with respect to a House in Multiple Occupation.

3.3	<p>The Benefits legislation is being revised with effect from April 2001 to allow a higher savings limit. It is therefore proposed to amend the grant policy to take this into account so that only those on benefits will be eligible for Home Repairs Assistance, with the exception of Home Repairs Assistance Grants for heating and insulation.</p>
3.4	<p>It is proposed that Home Repairs Assistance Grants for heating and insulation and home security will again be offered in partnership with Eaga. The eligibility criteria will be those over 70 years of age but not eligible for the government's Warm Front Grants administered by Eaga. (The Warm Front Grants replaces the HEES and HEES Plus grants – see Cabinet report dated 5th April 2000).</p>
3.5	<p>In addition a top up will continue to be offered for those who are eligible for the Warm Front Grants administered by Eaga.</p>
3.6	<p>The Department of the Environment, Transport and the Regions is proposing to pilot Warm Zones this year. Warm Zones encourage the integration energy efficiency funding from:</p> <ul style="list-style-type: none"> · the government via Warm Front Grants administered by Eaga · standards of performance money from the utilities · Health service funding, saving money due to reduced bronchitis, pneumonia and asthma cases · local authority funding. <p>It is proposed to replicate this approach in conjunction with Eaga in Eastbourne. EAGA is the government agent for energy efficiency measures in the South East. 50% of insulation costs could be paid for by one of the utilities company or another partner for eligible clients. At least 30,000 excess winter deaths can be attributed to cold homes each year.</p>

3.7	£70,000 has been allocated in the Housing Investment Programme for Home Repairs Assistance Grants for heating and insulation measures. EAGA would charge an agency fee of 10% to each grant, the same percentage that is paid to Care and Repair for their work in relation to other grant applications.
3.8	Heating and Insulation grants will continue to be offered in conjunction with EAGA under the existing contract until the new arrangements have been set up.
4.0	<p style="text-align: center;"><u>Reform of Private Sector Housing Renewal</u></p>
4.1	<p>The Government is currently consulting on proposals for reforming the legislation governing private sector housing renewal in England and Wales. The reforms would remove many of the detailed provisions that govern the way local housing authorities carry out housing renewal, and replace them with a broad power to provide financial and other assistance for home repair and improvement. This will reduce prescription and introduce more local direction</p>

4.2

Further the government proposes to:

- bring authorities' powers to give grants, loans and other forms of financial assistance for home improvement together within the same legal framework;
- enable authorities to help disabled people meet their contributions towards the cost of adaptations;
- enable authorities to help people with the cost of buying another property where this is a better option than improving or adapting their own home.

4.3

Authorities would also have the power to perform means tests and to set conditions for assistance, in order to help target measures effectively.

4.4

Mandatory disabled facilities grants are outside the scope of these reform proposals.

4.5	<p>The full consultation paper can be viewed on the DETR website www.housing.detr.gov.uk/information/consult/index.htm. It is recommended that the Cabinet Member for Residential Services writes supporting the proposals.</p>
5.0	<p><u>Consultations</u></p>
5.1	<p>Care and Repair, Age Concern, East Sussex Disability Association, Sussex Police Community Safety Department and Eaga have been consulted and are supportive of the proposals.</p>
6.0	<p><u>Human Resources</u></p>
6.1	<p>The Council received an increased private sector housing grant allocation and to assist in the processing of grants an Environmental Health Officer has been appointed on a temporary five month contract. In addition the processing of Home Repairs Assistance will be simplified by the revisions to the policy.</p>
7.0	<p><u>Environmental and Anti-Poverty Implications</u></p>
7.1	<p>This policy targets vulnerable elderly residents, the disabled, those on benefits, the repair of unfit and empty properties and improvements in energy efficiency. Approximately 160 of the most vulnerable local households will be assisted this year, as a direct result of adopting this private sector grant policy.</p>
8.0	<p><u>Community Safety (S17 Crime and Disorder Act 1998) Implications</u></p>
8.1	<p>The grants that relate to home security will help reduce burglary. The Community Safety Plan has a target of reducing domestic burglaries by 10% by April 2002.</p>

9.0	<u>Financial Implications</u>
9.1	The Housing Investment Programme agreed by Council on 26 th February 2001 incorporates a provision of £412,000 for Disabled Facilities Grant and £ 387,000 for other private sector grants. These resources are financed by specific grants and borrowing approvals from the DETR.
9.2	Regular monitoring of our commitments and spend will continue to take place as part of the HIP monitoring process. The Head of Environmental Health is authorised to suspend or limit the policy in conjunction with the Cabinet Member with responsibility for Residential Services should commitment exceed the budget.
9.3	This policy has been drafted to ensure that the spend of allocated HIP is maximised.
10.	<u>Conclusion</u>
10.1	The private sector grant policy should be amended as proposed.
Andrew Berry Residential Services Manager, Environmental Health	

Background Papers:

The Background Papers used in compiling this report were as follows:

1. The Community Safety Plan
2. Health and Safety in Housing, Consultation, DETR
3. EBC Housing Strategy Update 2001-2002
4. Reform of Private Sector Housing Renewal: Consultation, DETR
5. The new HEES – a Programme for Warmer Healthier Homes: Consultation, DETR

To inspect or obtain copies of background papers please refer to the contact officer listed above. The DETR consultation papers can be viewed on their website at: www.housing.detr.gov.uk/information/consult/index.htm