

# TONBRIDGE & MALLING BOROUGH COUNCIL

## STRATEGIC HOUSING ADVISORY BOARD

12 February 2008

### Joint Report of the Director of Health and Housing and Cabinet Member for Housing

#### Part 1- Public

#### Matters for Recommendation to Cabinet - Non-Key Decision

#### 1 REVIEW OF HOUSING ASSISTANCE GRANT POLICY

##### Summary

This report updates Members on the changes required to the Council's Housing Assistance policy in order to incorporate the activities submitted as part of the North and West Kent Private Sector Renewal Partnership bid for Regional Housing Board funding for 2008-11.

#### 1.1 Background

- 1.1.1 Members are aware that a partnership bid for an allocation of the South East Regional Housing Board (RHB) Private Sector Renewal Programme 2008-11 was made in October 2007. The bid known as the North and West Kent Private Sector Renewal Partnership, was led by Tonbridge & Malling Borough Council and comprised eight local authorities in Kent: Tonbridge & Malling BC, Tunbridge Wells BC, Sevenoaks DC, Maidstone BC, Ashford BC, Dartford BC, Gravesham BC and Medway UA.
- 1.1.2 The RHB made clear that bids for funding had to focus on the following key areas to stand any prospect of support:
- Decent Homes agenda;
  - improving energy efficiency including renewables; and
  - introducing the concept of loan provision.
- 1.1.3 It was reported to the last meeting of the Board that the RHB assessed the bid (along with a further eight others from across the region) and judged it to be the second strongest in the region. A recommendation for funding to the tune of £9.75 million was made by the RHB to Government and ministerial support is expected in February 2008.

- 1.1.4 The RHB's recommendation of support for the partnership bid for private sector renewal funding could see the Borough benefit from capital funding of £1.62 million over the three year period 2008-11.
- 1.1.5 The RHB propose to make six monthly grant payments from the agreed allocation and to carefully monitor spend. Any underspend will be transferred to higher performing authorities. Clearly we aim to be one of the higher performing authorities in order to maximise our allocation and to take up any 'slippage' from poorer performing councils.
- 1.1.6 Once the allocation is confirmed therefore it is paramount your officers are in a position to commit the resources to non-decent housing in the borough, as soon as possible from 1 April 2008. To do this the current Housing Assistance policy (which sets out the range of grants available from the Council for private sector renewal) will need revising to incorporate the objectives set by the RHB in the bidding round.

## **1.2 Repayment of Grants**

- 1.2.1 The RHB bid guidance made clear that successful partnerships would have to commit to start recycling funding at the local level. To address this requirement the partnership agreed to make repayable, decent homes and most energy efficiency grants. This will mean that a charge will be placed on the property in perpetuity in order to recover the monies at some point in the future and thus begin a recycling pot. The Council will seek recovery of the charge at the point of sale. However, the existing policy exception that the charge may be waived in extenuating circumstances will be retained.
- 1.2.2 The RHB also made it a requirement that partnerships address the issue of 'loans'. The purpose of moving to a loans culture is to stretch capital grant funding over time and to ensure as many residents as possible are assisted at the least cost to the public purse. While the issue of loans is complex due to Financial Services Regulations, Members should be aware that currently all housing assistance grants offered by the Council are subject to a five year charge on the property. It is therefore proposed to align this with the requirements of the bid and ensure that all similar grant assistance is subject to a charge on the property in perpetuity. This means that following adoption of the new policy all housing assistance grants approved from April onwards will become repayable (without interest) whenever the property is sold in future. The four exceptions to this are listed at paragraph 1.4.1 later in the report.
- 1.2.3 One of the future activities proposed under the bid is to develop a Decent Homes Loan Scheme. It is envisaged that this will take two years to develop and therefore will not form part of our revised policy at this time. A report on this proposal will be presented at a future meeting of the Board.

### **1.3 Change to eligibility criteria**

- 1.3.1 The existing Decent Homes Assistance provides financial assistance to owner occupiers or tenants with a repairing obligation to bring their properties up to the Decent Homes Standard. The assistance is financially assessed but applicants in receipt of a means tested benefit are passported through the financial assessment and do not have to pay anything towards the cost of the works.
- 1.3.2 A further RHB bid objective was to reduce the number of vulnerable people living in non-decent homes, where 'vulnerable' is defined as in receipt of a means tested or a disability related benefit. To ensure all vulnerable members of the community benefit from assistance with works to their homes, it is proposed that those in receipt of a disability related benefit will also be passported through the existing financial assessment as is currently the case for those on a means tested benefit.
- 1.3.3 As part of the bid criteria the partnership also had to demonstrate a desire to work with other partners to deliver the objectives and wherever possible show where efficiencies in budgets and resources could be achieved. It is intended that the major bulk of the Decent Homes Assistance programme will be delivered through commissioning an external service provider, for example a Home Improvement Agency, to manage this programme. This may create efficiencies, for example, in contractors and prices. Further work on developing this activity is currently underway.

### **1.4 Additional Activities**

- 1.4.1 As part of the bid a number of new activities were proposed in accordance with guidance from the RHB. The following activities will need to be included in the revised Housing Assistance policy so that they can be offered to residents from April 2008:
- renewable energy grants (50 per cent of cost of works up to a maximum of £5,000). This will be focussed at rural communities which are off gas and could include biomass installations. It is not anticipated that we will complete any of these in 2008/09 as this initiative needs to be worked up in conjunction with the local Energy Advice Centre and link in with other national and local initiatives. These grants will attract a five year charge on the property.
  - grants of £1,500 towards the installation of solar hot water systems. These will be available to all residents to encourage renewable energy measures and associated benefits. The grants will not be repayable in the event of sale.
  - grants of up to £20,000 to improve the insulation of "hard to heat" homes, for example, solid wall construction properties. It is not anticipated that we will complete any of these in 2008/09 as this initiative needs to be worked

up in conjunction with the local Energy Advice Centre. These grants will attract a five year charge on the property.

- grants of up to £1,000 to home owners to enable them to have an options appraisal survey carried out to specify and prioritise works to make their property decent. These grants will not be repayable. It is envisaged that these would be utilised where properties are in serious disrepair and there is a need for the owner to spend available monies wisely on key issues in order to improve the property. It is predicted that Tonbridge & Malling would complete a maximum of ten of these grants over the three year period of funding.

## **1.5 Assistance in respect of Mobile Homes and Houseboats**

- 1.5.1 The current Housing Assistance policy offers financial assistance for renovation or energy efficiency works of mobile homes and houseboats to meet the Decent Homes Standard.
- 1.5.2 Your officers are currently researching best practice amongst local authorities with significant experience and mature policies in relation to mobile homes and houseboats. This is to ensure that our current policy in respect of mobile homes and houseboats is the most appropriate way to achieve the intended outcome of improvement. In particular we are considering the arguments of repair versus replacement of mobile home units carefully.
- 1.5.3 To remove ambiguity within the policy with regard to eligibility of owners of mobile homes or houseboats for financial assistance, it is proposed that the following criteria is included within the policy:
- the applicant should, unless extenuating circumstances apply, for example if the applicant is deemed as vulnerable because of health risks and/or age, have lived in the mobile home or houseboat for at least five years before the date of application for financial assistance. This does not apply to any assistance provided to adapt a property to meet the needs of a disabled person; and
  - the mobile home or houseboat should be on an authorised site or mooring which is for permanent residential use; and
  - financial assistance will not be provided where the works required are to meet the requirements of a caravan site licence under the Caravan Sites and Control of Development Act 1960.

## **1.6 Consultation**

- 1.6.1 In preparing the bid application, support for the proposals was received from a wide range of partners including the National Federation of Residential Landlords,

the National Landlords Association, Creative Environmental Network and Kent Supporting People team.

- 1.6.2 The proposals and amendments contained in this report will be the subject of consultation with key stakeholders once the grant allocation has been confirmed. Members will be updated on progress at the meeting.

## **1.7 Legal Implications**

- 1.7.1 The Council is required to publish a policy on how it intends to use the powers under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to provide housing assistance.

## **1.8 Financial and Value for Money Considerations**

- 1.8.1 The proposed changes to the housing assistance policy will be implemented utilising the anticipated RHB funding for 2008-11 as a result of a successful bid.
- 1.8.2 The recycling of funds back into the Council's capital resources will boost future capital funding for housing improvements.
- 1.8.3 The amendment to the eligibility criteria to passport 'vulnerable' households through the financial assessment may mean that applicants who previously had a contribution to make towards the necessary works will now have nothing to pay. Any additional costs ongoing from this change will be met 100 per cent by the resources secured from the RHB.

## **1.9 Risk Assessment**

- 1.9.1 The Council as the local housing authority has statutory duty to review the housing conditions in the area and respond to requests for inspections. It is important that where funding is offered to improve housing conditions it is spent wisely and to best effect to achieve the desired outcomes.
- 1.9.2 This policy aims to assist the Council in meeting the Decent Homes targets in the private sector and promoting improvements in energy efficiency of homes including renewable energy. The robustness of the plans to achieve this will be subject to external assessment from the RHB and Government Office for the South East (GOSE).
- 1.9.3 A full risk assessment if failure to provide housing assistance to private sector homeowners is detailed in the Housing Risk Register.

## **1.10 Recommendations**

**CABINET is RECOMMENDED**, subject to the Council benefitting from the allocation of Private Sector Renewal funding from the Regional Housing Board, to:

1.10.1 **AGREE** to the amendment of the existing Housing Assistance policy to incorporate a charge on the property in perpetuity where relevant assistance is provided; and

1.10.2 **AGREE** to the changes in eligibility criteria for Decent Homes Assistance to include 'vulnerable' households as a trigger for assistance without the need for a financial assessment; and

1.10.3 **AGREE** to the additional activities as set out at para 1.4 to above being included within the Council's Housing Assistance policy.

**CABINET** is also **RECOMMENDED** to:

1.10.4 **AGREE** to the amendment set out at para 1.5 which clarifies the policy in respect of mobile homes and houseboats.

Background papers:

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Nil

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