

MAYOR & CABINET		
Report Title	Private Sector Housing Assistance Policy	
Key Decision	No	Item No.
Wards	All	
Contributors	Executive Director for Customer Services Head of Law	
Class	Part 1	Date: 7 March 2012

1. Summary

- 1.1 The current Housing Assistance Policy was adopted by the council in April 2006. Since then a number of legislative, political and economic changes have occurred. The main factor that necessitates changes to the Policy is the downturn in the economy. This has resulted in a general reduction in available budgets, and in the case of sub-regional monies, the complete loss of funding. As a consequence of these changes it is considered necessary to amend the policy to reflect the new circumstances.
- 1.2 The revised policy can be found in appendix A .The changes to the policy are described in appendix B.

2 Purpose

- 2.1 The purpose of the report is to amend the Council's Housing Assistance Policy 2006 for the reasons described in 1.1 The majority of the policy will remain unchanged but there are significant changes in the amounts of grant monies available and the relationship between grants and loans.

3. Recommendation

It is recommended that the Mayor:

- 3.1 approves the adoption of the revised Housing Assistance Policy as described in appendix A.

4. Policy Context

- 4.1 The Private Sector Housing Strategy reflects the Council's corporate priorities and the Sustainable Community Strategy to secure decent homes for all. Grant and loan support to vulnerable households plays a crucial role in raising the standards of property in the private sector to the 'Decent Homes' level. There are three principal ways that monetary assistance is made available:

1. As an Empty Homes Grant which is normally given on the basis of the property being made available to let to a homeless family.

2. As a discretionary or statutory grant. (which is not re-payable unless the Property is sold within five years.
3. As a discretionary loan (which is re-payable and is secured as a charge against the property.

4.2 Empty and derelict properties blight local communities and neighbourhoods. They attract anti-social behaviour, crime, vandalism and arson. Prior to 2011-12, significant sums of money were available through the South East London Housing Partnership (SELHP) to bring empty properties back into use. Lewisham has been successful in utilising this funding to renovate long-term empty properties and bring them back into use, whilst at the same time leveraging in substantial amounts of private funding and gaining the tenancy rights to the properties for five years or more. From April 2011 there is no longer any empty homes money available from SELHP, although a bid for further funding has been submitted by SELHP. If this is successful monies may become available later in the year. The Empty Homes Grant has therefore been kept in the revised policy so as to take full advantage of the SELHP funding stream if it becomes available.

4.3 Prior to 2011-12 SELHP provided a substantial proportion of the funding used to deliver our grants and loans program through its decent homes loans and handyman-plus grants schemes. The SELHP principal policy objectives are to raise housing standards for vulnerable people to the Decent Homes standard. This 'targeted funding stream' originates from the GLA and was claimed by individual boroughs on completion of qualifying works. Whilst these funding streams are no longer available, there are still some monies available from underspent budgets from previous years. This underspend is ring-fenced to individual Boroughs. It is therefore our intention to make full use of any funding that is still available to support this policy.

5. Background

5.1 The Regulatory reform (Housing Assistance) Order 2002 gave Local Authorities discretion to develop Housing Assistance Policies tailored to the local area. Before this, all housing grant policy was regulated by legislation and was mandatory. The 2002 order withdrew all previous grant legislation with the exception of that relating to the Disabled Facilities Grant, which remains the only mandatory grant.

5.2 The Private Sector Housing Assistance Policy 2006 was launched on 1st April 2006 after an extensive consultation exercise during 2005. This new policy introduced interest free loans and new grants relating to energy use.

5.3 The Policy is mainly focussed on providing help to low income households. This is intended to support safe and independent living, thereby reducing the burden on Health and Social services. Offering support to low income families with children also helps in tackling child poverty. Upgrading property to meet the Decent Homes standard will also reduce the amount of accidents or health problems produced by poor housing conditions, For example, costs to the Health Service dealing with injuries caused by trips or falls can be greatly reduced by quite minor adaptations.

- 5.4 The Policy also helps elderly people to stay in their homes longer and enjoy a comfortable and risk free (comparatively) environment. This greatly reduces costs to Health and Social Services. Offering help with energy efficiency will help address fuel poverty whilst reducing carbon dioxide emissions associated with climate change . It will also help to reduce the high winter death rate amongst older people associated with excessive cold. Help with home security will make people feel more secure within their own home and will improve resident's quality of life.

6 Amendments contained in the revised Policy

- 6.1 Amendments to the new policy are contained in appendix B. However the main change involves the Home Repairs Grant which currently provides for a £10,000 grant and a £20,000 loan. This is replaced with a smaller £3,000 grant and a larger £27,000 loan.
- 6.2 Demand for all types of grant has been steadily increasing over the last few years. There have been occasions when applications have been suspended owing to lack of resources. By reducing the amount of grant it should allow the Council to help more people and better balance the distribution of available Funds.

7. Legal and Human Rights implications

- 7.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, provides local housing authorities with a power to improve living conditions in their area. Article 3 (1) provides that Local Housing Authorities may "...directly or indirectly, [provide] assistance to any person for the purpose of enabling him –
(a) to acquire living accommodation...; (b) to adapt or improve living accommodation ...; (c) to repair living accommodation; (d) to demolish buildings comprising or including living accommodation; (e) where buildings comprising or including living accommodation have been demolished, to construct buildings that comprise or include replacement living accommodation."
- 7.1 Assistance may be provided in any form, unconditional or subject to conditions, "including conditions as to the repayment of the assistance or its value...but before imposing any such condition, or taking steps to enforce it, a local housing authority shall have regard to the ability of the person concerned to make that repayment or contribution" (article 3(4)).
- 7.2 A local housing authority may take any form of security in respect of the whole or part of the assistance (article 3(6))
- 7.4 The European Convention on Human Rights states in Article 8 that "Everyone has the right to respect for his private and family life, his home and correspondence". The Human Rights Act 1998 incorporates the Convention.

Whilst it does not, however, necessarily mean that everyone has an immediate *right* to a home, (because Article 8 is a “qualified” right and therefore is capable in certain circumstances, of being lawfully and legitimately interfered with,) the provision by an Authority of a relevant proactive Private Sector Housing Assistance Policy does assist to reinforce the Article 8 principles.

8 Financial Implications

8.1 The Council’s spend on the Private Sector Housing Assistance Policy over the past 3 years has been as follows:

Year	Total spend	Value of loans included in total spend
	£k	£k
2008/09	2,028	63
2009/10	1,850	25
2010/11	1,781	142

8.2 The Capital programme provides £1,570k to support the Private Sector Housing Assistance Policy, of which £486k is grant funded. (This is Central Government support for Disabled Facilities Grant funding.)

8.3 Whilst there would appear to be sufficient funding to meet current demands on the service, the reduction of the grant element of the scheme gives more certainty to the long term affordability of the policy in that it will reduce demand and the consequent pressure on resources. This is likely to achieve a situation where resources are available to more applicants albeit at a lower level.

8.4 Replacing large discretionary grants with smaller grants and loans will ensure that more monies are returned to the Council, resulting in a reduced capital budget requirement in this area as returned monies can be ‘recycled’ into further loans. This is, however, a long term strategy as the benefits of grant “recycling” cannot be realised until loans are repaid. The current value of loans to be repaid is £418k. The scheme has not been in operation long enough to generate any repayment of loan monies.

8.5 All loans are registered as a charge on the affected property with HM Land Registry and must be repaid if the property is disposed of, or if any other loan condition is not complied with.

9 Crime and Disorder Implications

9.1 Poor housing conditions are likely to increase anti social behaviour and crime. Improving housing standards should have a positive effect on crime and disorder.

10 Environmental Implications

- 10.1 The repair and improvement of properties, particularly when the work is external, results in a significant improvement in the local environment, and encourages other property owners in the area to maintain and improve their own properties.

11 Equalities Implications

- 11.1 The majority of grants & loans are given to improve the housing standards of elderly and vulnerable people and therefore assists those who are in the greatest financial need.
- 11.2 BME groups are shown to be disproportionately represented in those in greatest housing need. They are therefore likely to be the principal beneficiaries of any efforts to raise housing standards or increase the availability of good quality housing.
- 11.3 A consultation exercise was carried out in August 2011. Results show that our client base is in agreement with the proposed changes. An Equalities Impact Assessment was carried out at that time which took into account all of the relevant protected characteristics. The process has since changed and is now an Equalities Analysis Assessment. A review will be carried out in the near future to ascertain whether any changes are necessary.

12. Conclusion

- 12.1 Shifting the emphasis of housing assistance from grants to loans will result in a significant financial benefit to the Council and enable the Council to continue to help elderly and vulnerable people stay in their homes.

13 Background Papers and Report Author

- 13.1 There are no background papers to this report.
- 13.2 If you require further information about this report please contact Tony Mottram on 0208 314 8063.

Appendix A

Private Sector Housing Assistance Policy 2006(Revised 2012)

Appendix B

Policy Amendments