

## **BABERGH DISTRICT COUNCIL**

**FROM:** Housing Panel

**REPORT NUMBER:** **H100**

**TO:** STRATEGY COMMITTEE

**DATE OF MEETING:** 18 September 2008

### **AMENDMENTS TO THE GRANTS AND LOANS POLICY FOR PRIVATE SECTOR HOUSING**

#### **1. PURPOSE OF REPORT**

- 1.1 One of Babergh District Council's Strategic Plan Objectives relates to providing quality homes that local people can afford. The desired outcome from this objective is that there will be enough good quality homes which meet high environmental and sustainability standards to meet the needs of the people of Babergh. This report provides an opportunity for the private sector to make an enhanced contribution to this outcome, and the related issue of action on fuel poverty.
- 1.2 The report proposes amendments to the current Grants and Loans Policy to encourage the take up of financial assistance to improve non-decent homes in the private sector and to adopt powers for the recovery of Disabled Facilities Grant made for the adaptation of private sector homes where appropriate.

#### **2. RECOMMENDATIONS**

- 2.1 That the existing Grants and Loans Policy is amended to replace repayable loans up to £5,000 for owner-occupiers, with grants, when the work involved is to bring a dwelling up to the Decent Homes Standard.
- 2.2 That approval be given to the inclusion of a condition attached to relevant Disabled Facilities Grants requiring repayment of any sum paid in excess of £5000, up to a maximum demand of £10,000, subject to the restrictions and limitations laid down in the relevant legislation or, where other exceptional circumstances are deemed to prevail, at the discretion of the Head of Natural and Built Environment.

The Committee is able to resolve this matter.

#### **3. FINANCIAL IMPLICATIONS**

- 3.1 A figure of £146,600 was allocated to the Council by the East of England Regional Assembly (EERA) to address the problem of vulnerable people living in non-Decent Homes in the private sector. An equivalent amount is included within the allocated Private Sector Renewal capital programme to fund all elements of the Private Sector Loans and Grants Policy.

#### **4. RISK MANAGEMENT**

- 4.1 Key risks are set out below:

<b>Risk Description</b>	<b>Likelihood</b>	<b>Seriousness or Impact</b>	<b>Mitigation Measures</b>
EERA withdraws funding in relation to non-decent homes.	Increased if current allocation not used	Long term loss of capital funding to improve Babergh private sector homes	Amend current policy to increase take up of funds

## 5. **KEY INFORMATION**

- 5.1 The Babergh Grants and Loans policy was introduced in 2003 as a result of the 2002 Regulatory Reform Order.
- 5.2 The policy replaced a regime of grants to owner- occupiers, with interest free loans repayable upon the transfer of the property in question. There has been reluctance by some prospective applicants to take on any form of loan, even though it was interest free and could generally be secured against the equity of the property.
- 5.3 In recent years the Decent Homes Standard (previously only applicable to Social Housing) was extended to the Private Sector. The Government has provided capital funding and targets for local authorities to reduce the number of vulnerable people living in non-decent homes.
- 5.4 “Vulnerable people” are regarded as those in receipt of means tested benefits.
- 5.5 A Decent Home is one that,
- 1) Does not contain any Category one hazards as determined by the Housing Health & Safety Rating System.
  - 2) Is in a reasonable state of repair.
  - 3) Has reasonably modern facilities and
  - 4) Has a reasonable degree of thermal comfort.
- 5.6 To reduce the number of vulnerable people living in non decent homes and help meet targets it is recommended that current policy is amended, to encourage people with low incomes to undertake improvements to at least the essential elements such as poor thermal comfort, which make their homes non-decent. By providing a grant for the first £5000 of works the most essential elements are provided free. Other works such as modernising facilities, which add to the value of a property, will be covered by an interest free repayable loan secured against the equity in the property, up to a maximum of £15,000.

- 5.7 Disabled Facility Grants are provided to fund adaptation works to the homes of disabled people to enable those individuals to continue living to a reasonable standard within the family home. The grants are mandatory upon the recommendation of an Occupational Therapist. Unless the adaptation is for the use of a child, all applications are subject to a national test of financial resources (the 'Means Test'). The maximum grant was recently increased to £30K and previously there were no repayment conditions even if the applicant decided to move to another un-adapted property, for which a further grant could be requested.
- 5.8 There is a raft of safeguards to protect those individuals who need to sell the adapted property for genuine reasons, and the Council would only seek repayment in circumstances where disposal of the property is for reasons outside the exceptions listed in the enabling Regulations. (Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008.) The repayment condition applies to any disposal within 10 years of the certified date.
- 5.9 These proposals provide consistency across the policy with the first £5,000 of funding being a grant whether the works are for adaptation for a disabled person or works to make a home Decent with the meaning of the Decent Homes Standard.

6. **BACKGROUND PAPERS REFERRED TO:**

Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008

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### **The Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008**

The Secretary of State for Communities and Local Government in exercise of her powers under sections 34(6)(b), 46, 52 and 94 of the Housing Grants, Construction and Regeneration Act 1996 (“the Act”) gives to all local housing authorities in England the following general consent:

#### **Citation and commencement**

1. This consent may be cited as the Housing Grants Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008 and shall come into force on 22 May 2008.

#### **Interpretation**

2. Words and expressions used in this consent shall, unless the context otherwise requires, take the same meaning that is given to them in the Act.

#### **Consent**

3.—(1) Where —

- (a) a local housing authority approves an application for a grant under Part 1 of the Act;
- (b) the grant is for a sum exceeding £5,000; and
- (c) the applicant (“the recipient”) has a qualifying owner’s interest in the premises on which the relevant works are to be carried out,

the local housing authority may impose the conditions (or conditions to like effect) contained in paragraph (2).

(2) The local housing authority may demand the repayment by the recipient of such part of the grant that exceeds £5000 (but may not demand an amount in excess of £10,000) if—

- (a) the recipient disposes (whether by sale, assignment, transfer or otherwise) of the premises in respect of which the grant was given within 10 years of the certified date; and
- (b) the local housing authority, having considered—
  - (i) the extent to which the recipient of the grant would suffer financial hardship were he to be required to repay all or any of the grant;
  - (ii) whether the disposal of the premises is to enable the recipient of the grant to take up employment, or to change the location of his employment;
  - (iii) whether the disposal is made for reasons connected with the physical or mental health or well being of the recipient of the grant or of a disabled occupant of the premises; and
  - (iv) whether the disposal is made to enable the recipient of the grant to live with, or near, any person who is disabled or infirm and in need of care, which the recipient of the grant is intending to provide, or who is intending to provide care of which the recipient of the grant is in need by reason of disability or infirmity,

is satisfied that it is reasonable in all the circumstances to require the repayment.

**Application of Section 52 of the Act**

4. The conditions in paragraph 3 are local land charges and are binding on any person who is for the time being an owner of the dwelling or building.

Signed by authority of the Secretary of State for Communities and Local Government

A handwritten signature in cursive script that reads "Terrie Alafat". The signature is written in a light grey or blue ink on a white background.

Terrie Alafat

A Senior Civil Servant in the Department for Communities and local Government

8th May 2008