



AGENDA ITEM: 5(e)

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:**
2 October 2014

CABINET:
11 November 2014

Report of: Assistant Director Community Services

Relevant Managing Director: Managing Director (People and Places)

Relevant Portfolio Holder: Councillor David Sudworth

**Contact for further information: Mrs Laura Lea (Extn. 5196)
(E-mail: laura.lea@westlancs.gov.uk)**

SUBJECT: HOUSING RENEWAL ASSISTANCE POLICY REVIEW

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To set out the key features of the current Home Repair Assistance Grant (HRAG) capital scheme contained within the Housing Renewal Assistance Policy and to provide an updated policy for consideration.

2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

2.1 That the content of this report be considered and that agreed comments be referred to Cabinet.

3.0 RECOMMENDATIONS TO CABINET

3.1 That the revised Housing Renewal Assistance Policy attached as an Appendix to this report be approved.

3.2 That the Assistant Director Community Services, in consultation with the relevant Portfolio Holder, be given delegated authority to review and make future changes to the policy in light of any legislative or economic changes.

4.0 BACKGROUND

- 4.1 In September 2013, members of the Business Plan Working Group considered a report reviewing both the Disabled Facilities Grant (DFG) and Home Repair Assistance Grant schemes. A decision was made regarding future capital funding for the DFG scheme but Members subsequently deferred a decision on the HRAG scheme, requesting that the report be re-submitted in June 2014.
- 4.2 The HRAG capital scheme involves providing grants to eligible homeowners to assist them in bringing their home up to a decent standard.
- 4.3 The scheme has been in place for many years representing an ongoing capital scheme. The HRAG scheme is entirely funded from capital receipts (currently £100,000 per year).
- 4.4 Given the current difficult financial climate and the limited capital resources that are available it is now an appropriate time to review the £100,000 annual budget requirement for this scheme. It would be possible under accounting regulations to change the financing arrangements so that the scheme is funded from revenue rather than capital; however given that the revenue budget is also under pressure, this could be difficult to achieve in practice.

5.0 THE CURRENT HOME REPAIR ASSISTANCE GRANT CAPITAL SCHEME

- 5.1 The Council has a power, not a statutory duty, to provide Housing Renewal Assistance to private homeowners to assist them in bringing their homes up to a decent standard. Although homeowners are considered to be responsible for maintaining their homes, Central Government recognised that many vulnerable homeowners do not have the finances to do this leaving them living in poor conditions which is why Councils were given the power to provide such assistance.
- 5.2 Using these powers, the Council currently provides Home Repair Assistance Grants (HRAGs). To be eligible for a HRAG, the applicant must be aged over 18, own the property and be resident in the property or have a family member who is resident. The property must also be at least 10 years old and fail the decent home standard. In addition, there must also be a member of the household who is at least 60 years old, in full time education, or disabled and claiming one of the following qualifying benefits:
 - Income support
 - Housing benefit
 - Child tax credit
 - Disability living allowance
 - Income based JSA
 - Industrial injuries disablement benefit
 - Guarantee pension credit
 - Working tax credit
 - Attendance allowance
 - War disablement pension

- 5.3 A HRAG can also be awarded (subject to the above eligibility criteria) to top up a disabled facilities grant (DFG). The maximum amount of funding that can be given for a DFG is £30,000. Where the adaptation works exceed £30,000, a HRAG can be considered to meet any cost above this. The grant cannot be applied for where it is to cover the applicants assessed contribution towards the adaptation works.
- 5.4 The current policy states that the maximum grant amount that can be awarded is £2,500, however, the policy allows for VAT, fees and unforeseen work to be added, so it is possible for the amount of grant to exceed the £2,500 maximum, especially where it is being used to top up a DFG.
- 5.5 Further grants can be applied for, providing it is not for the same repair issue. This means that a homeowner could apply for a grant to repair the roof then apply for another grant to replace the windows.
- 5.6 The HRAG is repayable on a sliding scale if the property is sold within 10 years of the work being completed. The repayment terms are as follows:

Year of sale	% repayable
Up to 12 months	100
1-4	75
5-9	50
10+	0

6.0 THE HRAG SCHEME – EXPENDITURE AND FUNDING

- 6.1 Details of HRAG expenditure over the last 3 years is shown below:

Year	Expenditure £000
2013-14	70
2012-13	124
2011-12	149

- 6.2 This pattern of spending is variable in each year but works out at just over £100,000 per year on average, which is broadly in line with the current annual budget.

7.0 AGENCY SERVICE

- 7.1 All applicants applying for assistance are offered the Agency Service. The service deals with the application from beginning to end including drawing up schedules of work, obtaining quotes from contractors, arranging for plans to be drawn up, applying for planning permission or building notices, supervising the contractors on site, signing off works and paying the contractor on completion.
- 7.2 A fee of 10% of the total grant amount is charged for this service (subject to a minimum charge of £100).

8.0 FUTURE DIRECTION

- 8.1 In reviewing the current scheme, it became clear that changes were required to ensure its future viability.
- 8.2 As the scheme is discretionary in nature, closing the scheme was considered. Whilst this would achieve a capital saving it would mean a reduction in the revenue income generated by the Agency Service. This revenue income supports the work of the Private Sector Housing Team.
- 8.3 Under s.3 of the Housing Act 2004, the Council has a duty to keep the condition of private sector housing stock in the borough under review with a view to identifying any action that may need to be taken to make improvements. In order to meet this requirement, the Council carries out a private sector house condition survey every 5 years. The survey covers issues such as fuel poverty, energy efficiency, the presence of category 1 hazards under the Housing Health & Safety Rating System, future demand for disabled adaptations etc. The results of the survey inform future work programmes and the data is also used to attract external funding. The aim is to see an improvement in energy efficiency and standards each time the survey is repeated. Closing the HRAG scheme would leave vulnerable home owners without any access to funding to help them maintain their home to a decent standard. This would have an impact on the results of future surveys.
- 8.4 Adopting the revised policy would ensure the scheme operates fairly and more efficiently and would help maintain the current levels of revenue income generated whilst helping the Council to meet its aim of ensuring residents live in decent homes.
- 8.5 Provision of HRAGs across neighbouring authorities varies. Preston City Council offers a grant of £5,000 which only covers repair work. Chorley Borough Council offers a grant of £3,000 plus VAT whilst South Ribble Borough Council offers a fixed amount of £1,000 towards the cost of any work.
- 8.6 The proposed revised policy is outlined at Appendix 1 to this report. A summary of the changes is attached at Appendix 2.

9.0 CONSULTATION

- 9.1 The draft Housing Renewal Assistance Policy 2015 was listed on the Consultation page of the Council's website. Stakeholders, colleagues in neighbouring authorities and members of the public were encouraged to comment.
- 9.2 The closing date for comments was 5th September 2014. No comments were received.

10.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 10.1 If the HRAG scheme is retained it will link to the Improved Health for All objective of the Sustainable Community Strategy as improving the standard of a vulnerable persons home helps towards an improvement in their overall health and well-being.

11.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 11.1 If the decision is made to withdraw the scheme completely, a capital saving of £100,000 will be achieved. However, there will be a loss of revenue income as there will be no income generated from the Agency Service. This will reduce the overall revenue budget available to support the Private Sector Housing Team.
- 11.2 The withdrawal of the scheme would also mean the loss of 0.2 of a post within the Private Sector Housing Team. Usually the reduction in staffing hours would achieve a revenue saving however such a small reduction in hours will still leave a revenue deficit.
- 11.3 If the scheme is retained with the amended policy being adopted, a reduction in capital spend could be achieved.
- 11.4 If Members wish to change the funding for this scheme from capital receipts to revenue then this would be a feasible option. This would however increase the size of the revenue budget gap for 2015-16 and consequently additional savings over and above those already identified would need to be made.

12.0 RISK ASSESSMENT

- 12.1 The Council is not under any legal duty to offer a HRAG scheme however should the decision be to withdraw the scheme; there is a risk that the number of vulnerable owner occupied households living in non-decent homes will increase.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this report.

Equality Impact Assessment

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report.

Appendices

1. Housing Renewal Assistance Policy 2015
2. Summary of Changes
3. Equality Impact Assessment
4. Minute of Executive Overview & Scrutiny Committee – 2 October 2014 (Cabinet only)