

Proposed changes to the Home Repair Assistance Grant Scheme (HRAG)

1. Maximum grant amount

Current Policy:

The current policy states that the maximum grant amount is £2,500, excluding VAT, professional fees and any unforeseen costs. Allowing VAT, fees & unforeseen costs to be added in this way, means that the actual grant amount given can be above £2,500, especially in cases where the grant is being used to top up a disabled facilities grant (DFG).

Proposed New Policy:

The purpose of the HRAG should be to contribute towards bringing a home to a decent standard, not to fully fund the works.

The proposal is to cap the maximum grant amount at £2,500 inclusive of VAT, fees and unforeseen works.

If the cost of the repair works exceeds £2,500, the applicant will be responsible for paying any difference and will have to show the funds are in place before the grant is approved.

There is a risk in capping the grant amount in this way. Unforeseen works could arise once building work has started which could take the total cost above £2,500. In these circumstances, there would be no additional funding from the Council. The homeowner would be responsible for the additional cost.

If the homeowner is not able to do so, the contractor would be asked to complete the work already started and make good. The contractor would be paid for the proportion of work completed.

A charge would still be placed on the property to ensure recovery of the money should the property be sold.

2. Eligibility criteria

Current Policy:

Under the current policy, the following eligibility criteria applies:

- The grant applicant must be at least 18 years old, have an owners' interest in the property and either be resident or have a member of the family resident within it (those in shared ownership properties and private tenants can apply as long as they have a repairing obligation)

- There must also be a member of the household who on the date of the application is at least 60 years old OR is in full time school education OR is disabled
- A member of the household must be in receipt of at least one of the qualifying benefits below:
 - Income Support
 - Income based Jobseekers Allowance
 - Guarantee Pension Credit
 - Working Tax Credit
 - Child Tax Credit
 - Attendance Allowance
 - Disability Living Allowance
 - War Disablement Pension
 - Industrial Injuries Disablement Benefit
 - Housing Benefit
 - Council Tax Support
- The dwelling subject to the request for assistance must be at least 10 years old and fail the decent homes standard.

Proposed New Policy:

It is proposed to change the eligibility criteria to the following:

- The applicant must be an owner occupier and have lived in the property for at least 3 years prior to the date of the application (those in shared ownership properties or tenants with a repairing obligation will still be able to apply providing they have lived in the property for at least 3 years)

The requirement to be an owner occupier has been retained but the grant will now only be given to owners that actually occupy the property. Previously, an applicant had to be an owner but did not actually have to live in the property as long as they had a close family member living there who met the other eligibility criteria.

In addition to the above, the applicant must be:

- Aged over 18, disabled and claiming either income support (due to being disabled), employment support allowance (must be in the support group), attendance allowance, disability living allowance, personal independence payment or industrial injuries disablement benefit; or
- Aged over 18 with children under 16 and claiming income support, working tax credit (with an assessed income of less than £15,050), child tax credit (with an assessed income of less than £15,050); or

- Aged over 60 and claiming guarantee pension credit, income support, attendance allowance, disability living allowance, personal independence payment, war disablement pension or industrial injuries disablement benefit

Where there is another person living in the property who is also responsible for the repair and maintenance i.e. joint owner and that person is working, no grant will be issued if the total household income including state benefits is above £15,050 (this figure will be reviewed annually).

The amended criteria will restrict eligibility to those who are over 60 and on a qualifying benefit, those under 60 without dependents but who are disabled and on a qualifying benefit and those under 60 with children under 16 who are on a qualifying benefit. These have been identified as the households who would be most vulnerable to living in poor accommodation.

There has also been an income threshold applied to those claiming working tax credit and child tax credit. Such households with an assessed income of less than £15,050 for tax credit purposes are considered to be vulnerable therefore this income threshold has been applied. Anyone claiming tax credits with an assessed income of over £15,050 will not be classed as vulnerable and therefore not eligible to apply. These figures are set by Government and will be reviewed annually.

- The property must be at least 10 years old and fail the decent homes standard

3. Successive Applications

Current Policy:

The current policy prevents applicants applying for another grant for the same work within 10 years from the date the previous works were completed. The 10 year period is the current grant repayment period.

This means that applicants could submit an application for funding roof repairs one year and for replacement windows the next.

Proposed New Policy:

It is recommended that grant applications are limited to one every 5 years.

Future applications after the 5 year period should also be refused if it is for the same work previously carried out. Applicants are expected to maintain any repair works carried out therefore should not require further grants for the same issue.

4. **Topping up a disabled facilities grant**

Current Policy:

Disabled facilities grants are provided to assist residents in adapting their homes. The maximum amount that can be claimed is £30,000.

The current housing renewal assistance policy allows the grant to be used to top up a DFG where the adaptation works will cost more than the £30,000 grant amount allowed.

Allowing this has led to some HRAGs being granted in excess of £2,500, due to the ability to add unforeseen works, fees and VAT.

Proposed New Policy:

It is recommended that the HRAG no longer be used to top up a DFG.

Applicants are able to apply for top up funding via Lancashire County Council therefore this should be the route pursued.

5. **Grant Repayment**

Current Policy:

Repayment of the grant is currently required if the property is sold within 10 years of the work being completed. Repayment is on a sliding scale:

Year 1	100%
Years 1-4	75%
Years 5-9	50%
Years 10+	0

Proposed New Policy:

It is proposed to make the grant fully repayable on first sale or transfer of ownership, irrespective of when that sale or transfer takes place.

The Assistant Director Community Services will retain the discretion to waive repayment in extreme hardship cases.

6. **Grant Agency Fees**

Current Policy:

The Council offers a Grant Agency Service to applicants to assist them in completing the works by preparing schedules of work, obtaining quotes etc.

Where an applicant elects to use this service, the following fees apply:

Disabled Facilities Grant:

10% of the total cost of the works subject to a minimum charge of £250. VAT is also added at the standard rate.

Home Repair Assistance Grant:

10% of the total cost of the work subject to a minimum charge of £100. VAT is added at the standard rate.

This fee can be included in the grant.

The income generated supports the revenue costs of the Private Sector Housing Technical Officers in providing the service.

Proposed New Policy:

The % fee charged has not been reviewed for a number of years. With revenue costs increasing, it is necessary to address this.

It is recommended that the fee for home repair assistance grants stays at 10% of the cost of the works, plus VAT with a minimum charge of £100. This fee accurately reflects the amount of technical expertise needed to provide assistance at this level.

It is recommended that the fee charged for technical expertise on disabled facilities grants be increased to 12% of the total cost of the works, plus VAT, subject to a minimum charge of £300.

7. Private Agents

Current Policy:

Where an applicant wishes to use their own professional agent, the current policy allows fees of up to 12% of the total cost of the work (plus VAT) to be included in the grant.

Proposed New Policy:

It is proposed to bring the fee amount allowed for professional agents in line with that charged by the Council's Agency Service i.e. 10% plus VAT for HRAGs and 12% plus VAT for DFGs.