

		EXECUTIVE – 23 July 2008	Agenda Item No.
Title:		Financial Assistance Policy – Private Sector Housing. Report on Performance and Recommendations for Change	
For further information about this report please contact		Paul Leeman – Private Sector Housing paul.leeman@warwickdc.gov.uk	
Service Area		Housing Strategy	
Wards of the District directly affected		All	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006		No	
Date and meeting when issue was last considered and relevant minute number		September 2006	
Background Papers		none	
Contrary to the policy framework:			Yes/No No
Contrary to the budgetary framework:			Yes/No No
Key Decision?			Yes/No Yes
Included within the Forward Plan? (If yes include reference number)			Yes/No Yes
Officer/Councillor Approval			
With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).			
Officer Approval	Date	Name	
Relevant Director	26/6/08	Mary Hawkins	
Chief Executive			
CMT	26/6/08		
Section 151 Officer			
Legal	24/6/08	Simon Best	
Finance	25/6/08	Sandra Jones	
Portfolio Holder(s)	30/6/08	Mrs Moira-Ann Grainger	
Consultation Undertaken			
Please insert details of any consultation undertaken with regard to this report.			
Final Decision?			Yes/No
Suggested next steps (if not final decision please set out below)			

1. SUMMARY

- 1.1 The Financial Assistance Policy (FAP) was agreed by Members in 2006 and implemented in October of that year. The basis of the policy was, in addition to providing Mandatory Disabled Facilities Grants, to assist owners of dwellings to improve them by a series of Grants and Loans. With the notable exception of Grants and Loans for disabled adaptations, this Policy has not been a success in that few Grants and Loans have been approved.
- 1.2 This report sets out which Grants and Loans have proved popular and useful in improving dwellings, and recommends a publicity campaign to raise awareness of the Grants and Loans which are made available.
- 1.3 The report has a further aim, that to introduce the idea of major improvements being financed by an Equity Release scheme provided by Art Homes Regeneration Trust through the West Midlands Kickstart Programme. Such a change cannot take place before Warwick District Council has completed a Delivery Programme Exercise which is not expected to be done until at least mid 2009.

2. RECOMMENDATION

- 2.1 That Members consider the outcome of monitoring the FAP since October 2006, and note the disappointing number of Grants and Loans approved.
- 2.2 That Members agree to the transfer of £1,800 from the Decent Homes capital budget to the Private Sector Housing revenue budget for a publicity campaign and the production of a series of leaflets.
- 2.3 Members take note of the proposals in respect of the Equity Release Scheme to be provided through the West Midlands Kickstart Programme, and agree that further work be undertaken to prepare for Warwick District Council to join the Kickstart Partnership.

3. REASONS FOR THE RECOMMENDATION

- 3.1 Members will recall that when they last considered this topic (in September 2006), they were advised that local authorities had been encouraged by the Government to introduce Financial Assistance Policies to aid the repair and improvement of dwellings which did not rely solely on Grants. To this end, Warwick District Council introduced a new regime of assistance which, whilst still only assisting those homeowners who were considered vulnerable, brought in a measure of Loans to supplement the Grants previously given for various purposes. That Policy was detailed in the 2006 report, but can briefly be summarised as follows:
 - a) Mandatory Disabled Facilities Grants – subject to means testing, maximum grant [then] £25,000.
 - b) Discretionary Disabled Facilities Assistance – subject to means testing, Grants to top-up the maximum Grant by up to £7,000; Grant to provide low access or level access shower facilities where Adult Health and Community Services cannot support an application for Disabled Facilities Grant, despite the applicant having “moderate Needs”; Grant to provide space for a disabled person to receive specialised medical treatment; Grant to assist in moving to alternative accommodation where either the existing property cannot be adapted, or where it is more cost effective for the family to move house. Again subject to means testing, Loans to assist the applicant to meet

their required contribution; Loans to adapt a room to make it suitable for the employment of the disabled person; Loans to provide access to the garden; Loans to provide extra space for the family of a disabled person and Loans to meet the difference between the equity in a house which has to be sold, and the purchase price of another, more suitable, home.

- c) Discretionary Grants to help vulnerable people to make their dwellings free from Category 1 hazards, to improve the energy efficiency of their properties, to assist low income families to carry out urgent repairs costing up to £3,500, and to assist elderly or infirm occupiers of dwellings to carry out repairs or improvements thus enabling them to remain in their home.
- d) Discretionary Loans (means tested) to enable owner/occupiers to bring their homes to the "Decent Homes Standard" (repayable on the sale of the property).
- e) Discretionary Loans to assist landlords to improve their property to a standard which would allow for inclusion in the Council's Accreditation Scheme, or to bring empty property back into use. (Loans to landlords are repayable after 10 years or on the sale of the property, whichever comes first).

- 3.2 With regard to the Grants and Loans to disabled Persons, the maximum Grant has been increased to £30,000, and some of the improvements which were only assisted by Loans have now been brought within the mandatory system. These changes, along with the general consent from the Government to enable recovery of [some] Disabled Facilities Grant monies on the sale of the property were reported to the Executive at their June 2008 meeting.
- 3.3 The table at Appendix 1 shows the amount of Grant and Loan monies actually approved since October 2006, set against the monies the Local Authority has set aside for this purpose in its budget.
- 3.4 It will be seen that the amounts of Grant and Loan approved, other than for Disabled Facilities purposes, has been disappointing. It is felt that a publicity campaign, including leaflets describing the Grants and Loans on offer, will boost enquiries from eligible home-owners, and thus will reduce the numbers living in unhealthy housing, and increase the numbers of occupiers who can stay in their own homes, rather than moving or being moved into care. Providing a newspaper advert has been costed at approximately £750, whilst the cost of producing a set of leaflets describing the Grants and Loans would be approximately £1,000.
- 3.5 Warwick District Council has been offered the opportunity of joining with other Local Authorities in the West Midlands Sub Regional Kickstart programme as a means of offering its residents a change in culture from the use of Grants for private sector housing renewal (our current FAP) to equity release and Loan based solutions to private sector renewal. The Kickstart scheme provides fund management for equity release and other Loans and the provision of financial advice to customers in providing a range of affordable products including: Equity Loans, Interest only Loans, Capital and Repayment Loans and Small Unsecured Loans. This invitation to join the Kickstart Partnership follows a three year pilot programme conducted by seven Local Authorities in the West Midlands area.

- 3.6 Funding for this project at a Regional level has been “top sliced” from the funds which would otherwise be made available to local authorities within the Region to aid their Housing renewal work in the private sector. During 2008/9, £57,000 which would otherwise have come to Warwick District Council has been diverted to Kickstart. We have been advised that, next year, a further £110,000 will be devoted to the project. In order that Warwick District Council can be represented in the extended Partnership, and get the benefit of these monies, work has been ongoing with Kickstart to explore how we can make use of the resources on offer. We would not be able to join the project until at least mid 2009/10, or early 2010/11.

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 The existing 2006 Policy could have been continued, despite its being unsuccessful. This would have meant that Grants and Loans continued not to help those home-owners in need, with the consequence that vulnerable people continued to live in unsatisfactory conditions.

5. BUDGETARY FRAMEWORK

- 5.1 The recommendations can be accommodated within the budget set for 2008/9 by transferring £1,800 from the Decent Homes capital budget.

6. POLICY FRAMEWORK

- 6.1 The Corporate Strategy, 2008 – 2011, requires that our Housing Services meet the Housing Need of the District. This publicity campaign will, it is hoped, encourage additional take-up of the grants and loans on offer through the Financial Assistance Policy.

Budget and Expenditure on Grants and Loans for Private Sector Housing Assistance								Appendix 1		
Type of Grant/Loan	Mandatory/ Discretionary	Budget 2006/7	Activity 2006/7		Budget 2007/8	Activity 2007/8		Budget 2008/9	Activity 2008/9 (to 30/6/08)	
			Amount approved	Number approved		Amount approved	Number approved		Amount approved	Number approved
Home Repairs Assistance Grant	D	55,000	30,900	34	55,000	19,116	22	55,000	0	0
Disabled Facilities Grant	M	300,000	252,903	45	300,000	264,021	37	300,000	35,321	10
Empty Property Grant	D	30,000	0	0	30,000	0	0		0	0
Energy Efficiency Grant	D	12,000	3,774	7	12,000	3,612	7	25,000	197	1
Decent Homes Grant	D	0	0	0	0	0	0	440,000	2,585	1
Renovation Grant	D	80,000	1,549	4	80,000	28,838	4	40,000	0	0
Disabled Facilities Grant	D	25,000	0	0	25,000	22,587	1	50,000	0	0
HIMO grant	D	0	0	0	0	N/A	N/A	0	N/A	N/A
Top-up grant (Disabled Facilities Grant)	D	25,000	0	0	25,000	21,000	3	30,000	0	0
Disabled Facilities Grant Loans	D	15,000	2,761	1	15,000	5,072	2	20,000	2,500	1
Non Disabled Facilities Grant Loans	D	16,000	0	0	16,000	8,055	1	60,000	0	0
Common Parts Grants	D	10,000	5,606	2	10,000	7,471	1	0	0	0
		568,000	297,493		568,000	379,772		1,020,000	40,603	

