

Executive – 10 June 2010

PRIVATE SECTOR HOUSING RENEWAL POLICY UPDATE

Report of Head of Environmental Health

Statutory Powers: Housing Act 2004, The Regulatory Reform (Housing Assistance), (England and Wales) Order 2002

Financial Implications: There are no significant financial implications.

Purpose

To update Members and consolidate changes to the Private Sector Housing Renewal Policy resulting from implementation and changing market conditions.

RECOMMENDATIONS

That the Executive RESOLVES to adopt the Private Sector Housing Renewal Policy, as amended by this report and attached at Appendix 1.

Background

1. The Council's new Private Sector Housing Renewal Policy (PSHRP) was adopted on 26 March 2009 (minute 92/08 refers). The policy introduced a number of new initiatives to provide financial assistance to vulnerable people to tackle specific housing issues identified in the Private Sector Housing Condition Survey (HCS) published in November 2008.
2. The Council has a degree of autonomy in determining the best way to spend Regional Housing Pot funding on Private Sector Housing Renewal. The new Assistance Policy offers a package of grants and loans aimed at securing the greatest benefit for householders and securing maximum future funding. Implementation of the Policy to date and changes in the energy efficiency market, primarily around the 'Cosy Devon' (formerly Devon Warm Zones) scheme, has identified amendments to the Policy that improve delivery.
3. Delegated authority was given to the Head of Environmental Health, in conjunction with the Executive Member for Housing, to adjust operational practice to take account of issues arising. In view of this a number of incremental changes have been agreed over the past year and this Report outlines the main changes and consolidates them into the amended Policy.

Changes to the Private Sector Renewal Policy

4. The original Policy restricted Minor Works Grants and Loans assistance to properties in Council Tax Bands A-D. However, for the following reasons this restriction has been removed.

Some properties in a Band above D are still occupied by vulnerable people and are often still modest in size etc. due to the high cost of properties in the area. It was proposed to advise people in higher band properties to 'downsize' rather than receive financial support from the Council; the present climate makes this far more difficult and costly. In addition, loans, by definition, ensure that the capital lent is returned to the Council for reuse. Minor Works grants over £2,000 have a 20 year residency condition whereby a sale or transfer of the property within that time will result in the repayment of the grant money.

5. The maximum Minor Works Grant (secured) has been raised from £10K to £15K in line with the maximum available under the loan scheme. The principle of the overall policy is 'loans first and grants second' and where someone is eligible for a loan then they will not receive grant aid. Therefore, it is only the most vulnerable householders (due to lack of equity, large debt, low income etc.) that will receive a grant as they are unable to service the cost of a loan. At present these householders are offered less assistance than loan applicants. Bringing the maximum levels in line with each other ensures an equitable approach.
6. Grants for insulating Park Homes have been introduced for people over 60 years old, based on the unsecured Minor Works Grants, but with an increased level of £3,000 or £4,000 for people on qualifying benefits. The Park Home will need to be over 5 years old and have a life expectancy of a further 15 years.
7. As part of the Cosy Devon (formerly 'Devon Warm zones') scheme initiative the Council presently delivers a range of grants for insulation measures (cavity/loft) primarily to the 'priority group' (people on benefit or over 70). Grants have now been extended to cover the full cost (previously offered at 50%) of measures for the 'vulnerable group' (people aged 60-69 or with a gross household income below 18K).
8. Members will be aware of the priority, both locally and at a National level, being given to utilising existing housing stock and bringing empty properties back into use. The Empty Homes Strategy (minute 82/09 refers) sets out the Council's approach and the PSHRP originally offered a maximum of £10K (at a rate of 75% of the full cost) towards the cost of works, as an incentive to bring properties back into use, subject to conditions link to affordable rents and the Council's Direct Lets Scheme. This £10K was funded from the Affordable Housing Capital programme. The maximum level has now been increased, for properties with two bedrooms or more, to £15K; the additional £5K being funded from the Regional Housing Pot.
9. In order to promote renewable energy sources and reduce fuel poverty, loans of up to £3.5K (over 5 years) are to be offered for approved renewables. The loans will be available for households with a disposable income of less than £250 per month, as assessed by Wessex Reinvestment Trust, which will ensure that people in or close to fuel poverty will be targeted. It has been calculated that in addition to the benefit of low cost energy and carbon savings, income from the 'Feed in Tariff' or 'FIT' will cover the monthly loan repayment.

Strategic Risk Assessment

10. The following are the significant risks and opportunities identified:

Opportunity	Issues / Obstacles	Benefits
The Housing Condition Survey identifies specific housing issues that the Council, and other agencies, should seek to address. The Private Sector Housing Renewal Policy, as amended, targets these areas of concern and will deliver improvements and reduce the housing associated risks to vulnerable occupiers.	The funding available through the Regional Housing Pot is limited and can only provide support to a small sector of the community.	Targeting funding and leveraging in private sector money through the use of loans and conditioned grants ensure that the limited funds are recycled over time.

Conclusion

11. This report summarises the changes that have taken place over the past year in response to modifications undertaken based on issues emerging and in the light of experience of operating the policy and collates the amendments into a revised document.

Drew Powell
Divisional EHO (Environmental Protection and Private Sector Housing) 10 June 2010

Executive

Appendix:

Private Sector Renewal Policy (as amended May 2010)