

MAIDSTONE BOROUGH COUNCIL

HOUSING CONSULTATIVE BOARD

25 JUNE 2012

REPORT OF HEAD OF HOUSING AND COMMUNITY SERVICES

Report prepared by Neil Coles, Housing Services Manager

1. Review of the Housing Assistance Policy

1.1 Issue for Consideration

1.1.1 To consider the options for reviewing the council's Housing Assistance Policy to be taken forward in a new policy.

1.2 Recommendation of the Head of Housing and Community Services

1.2.1 That the Housing Consultative Board recommends to the Cabinet Member for Communities and Leisure Services the change in approach to delivering adaptations to tenants of Golding Homes contained in paragraph 1.3.15 below and paragraphs 1.3.20, 1.3.22, 1.3.24, 1.3.25 and 1.3.29 concerning the housing assistance programme.

1.3 Reasons for Recommendation

1.3.1 Background

1.3.2 The council is required to adopt a Housing Assistance Policy under Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. The Order enables local housing authorities to implement their policy having regard to the needs of the borough, the council's priorities, and the availability of funding. The current Housing Assistance Policy was adopted on 19 April 2007 and it is appropriate for a review to take place to ensure the policy continues to support the Housing Strategy and the council's key priorities.

1.3.3 The assistance offered by the Council may be in the form of (but not restricted to) a grant, loan, loan guarantee, provision of building materials, or undertaking work.

1.3.4 The Council has the discretion to offer schemes that meet the following criteria:

- a) The improvement, repair or adaptation of living accommodation which may include mobile homes and houseboats;

- b) The demolition of a dwelling or a building including living accommodation and the construction of alternative housing accommodation where this can be shown to be the most effective housing option;
 - c) The conversion of non residential accommodation into affordable or rented residential accommodation where a demand can be demonstrated for the accommodation to be provided;
 - d) The acquisition of alternative residential accommodation where the cost of improving, repairing or adapting an existing dwelling will exceed the potential market value of the dwelling;
 - e) The provision of loans where the owner (person(s) with the right and authority to undertake work) are unable to access loans from financial organisations such as building societies due to age or lack of adequate financial security;
 - f) The financial assistance offered will either be in the form of a grant, a loan or loan guarantees to assist with any of the above matters. Grants and loans may be made available where the property owner (person(s) with the right and authority to undertake work) seeks to obtain a loan from a financial organisation acceptable to the Council.
- 1.3.5 A key element of the council's programme is the administration of Mandatory Disabled Facilities Grants (DFGs) and these are governed separately by regulations that stipulate the funding arrangements.
- 1.3.6 Aims of the policy
- 1.3.7 Poor housing is directly linked to poor health and contributes to health inequalities - for example those residents who are unable to keep their homes warm (through either inadequate heating or due to the poor thermal performance of the building fabric) are at a greater risk of suffering slips, trips and falls, and hence hospital admission. This linkage is mirrored across the wide range of housing defects that are found within the private sector housing stock.
- 1.3.8 The policy aims to provide financial assistance to owner occupiers, landlords and tenants to ensure that dwellings within the private sector (i.e. those not owned or managed by housing associations) are of a decent standard and do not present unacceptable health and safety hazards, and provide an appropriate level of affordable warmth.
- 1.3.9 The policy also aims to provide financial assistance to disabled residents who meet the prescribed qualifying criteria for Mandatory Disabled Facilities Grants (a statutory function) to assist those

residents' to access adaptations to enable them to remain living in their own home.

1.3.10 Issues for consideration

1.3.11 Mandatory Disabled Facilities Grants

1.3.12 The administration of Mandatory DFGs is a statutory obligation placed on the council and the requirements relating to the eligibility and other criteria are prescribed and the council is largely unable to influence their administration.

1.3.13 The council is required to provide DFGs to those eligible residents living in all forms of tenure (i.e. owner/occupiers, private sector tenants and housing association tenants).

1.3.14 Given the distribution of eligible residents across Maidstone's housing stock, we have developed a close working relationship with Golding Homes to deliver DFGs to their tenants. Recently Golding Homes signed a pan-Kent agreement that details the level of voluntary contribution that Golding Homes will provide to supplement DFG funding for their tenants.

1.3.15 To further improve the service provided to Golding Homes' tenants, there is an opportunity to consider alternative funding arrangements for their tenants' DFGs whereby the council's contribution to these DFGs is agreed collectively based on previous year's demand rather than retaining a case by case approach.

1.3.16 This is similar to the approach adopted at the time of the stock transfer in 2004, whereby a lump sum was paid to Golding Homes and expenditure was verified at year end. The arrangement was altered to make best use of the increased availability of DFG grant following the council's lobbying in 2005. The changes made by successive governments to the scheme no longer make our current approach financially attractive. It is expected that agreeing a collective approach would reduce the administrative burden placed on the council and provide greater efficiencies.

1.3.17 Home repairs assistance

1.3.18 Currently, the policy includes a range of financial interventions:

i) Home repair grants – to assist vulnerable home owners to carry out repairs to their homes to enable them to remain in occupation

ii) Energy efficiency grants – to improve the energy efficiency of homes and reduce the impact of cold homes on residents

- iii) Landlord Grants – to provide improvements to private rented accommodation for accredited landlords who provide the council with successive nomination rights to the accommodation
- 1.3.19 There are opportunities for the council to increase the ability to recycle capital funding through the move away from a grant dependent culture to that of loans. Whilst this would require some resources to implement, the benefits over time where loans are repaid on, for example, the sale of homes subject to assistance would provide an additional source of capital funding that could be recycled into the programme.
- 1.3.20 Any loan arrangement could either be for a fixed term, or be fixed to the sale of the property. Fixed term loans are likely to be more appropriate to those recipients who are able to pay (e.g. landlords) whereas vulnerable and elderly home owners may suit a loan that is repayable on the sale of their home.
- 1.3.21 Loans would need to be based on a nil interest rate approach as if a rate of interest was to be applied, the scheme would need to meet the requirements of the Financial Services Agency. Any such loan would therefore effectively be considered a repayable grant.
- 1.3.22 The landlord grants in the last 12 months have not delivered the expected number of nomination rights to accommodation that can be used to assist homeless households and others seeking private rented accommodation. There is an opportunity therefore to reconsider this approach and determine whether to strengthen the offer to landlords to increase the outcomes, or alternatively to cease the assistance to private landlords given the council's ability to enforce standards in the private rented sector.
- 1.3.23 Energy efficiency grants have largely been used to improve the thermal performance of the built fabric of the home in question, e.g. roof and wall insulation, efficient heating etc. Maidstone has a particular fuel poverty problem in the rural wards, where often no mains gas is available, and the fabric of the building is not conducive to retro-fitting insulation measures, e.g. homes with solid walls.
- 1.3.24 There is an opportunity, therefore to consider assisting residents in these circumstances with renewable energy measures that while not necessarily improving energy efficiency would reduce their direct fuel costs, for example through the supply of solar power fed into the electricity network. This would then provide residents with a year on year benefit that would help to reduce fuel poverty.
- 1.3.25 Similarly, another opportunity within rural off-gas network areas is to utilise fuel purchasing consortia to bulk buy fuel, e.g. domestic heating oil to secure larger discounts that can reduce the cost per litre.

Assistance could be provided to pump-prime these local schemes and enable residents to benefit in the long-term.

1.3.26 Empty Homes

1.3.27 Bringing empty homes back into use is a key priority for the council which also offers the added financial benefits associated with the New Homes Bonus scheme. Currently there is no specific assistance available to owners who are seeking to return empty homes back into use.

1.3.28 The council has been successful in bidding for funding from the Homes and Communities Agency to return 10 key long-term empty homes back into use, to provide affordable homes for residents. There is an opportunity to build on this funding stream with a comprehensive package of assistance to maximize the number of empty homes brought back into use each year.

1.3.29 There are a number of innovative schemes that operate across the country to return empty homes back into use, (e.g. the use of local residents seeking employment and training to undertake building work etc who are then able to occupy the home when completed) and one or more scheme could be funded through this programme.

1.4 Alternative Action and why not Recommended

1.4.1 The Housing Consultative Board could seek to retain the current Housing Assistance Policy. However, the current policy would not allow the council to implement new opportunities available since the adoption of the current policy and no longer fully meets the future aspirations of the council.

1.5 Impact on Corporate Objectives

1.5.1 The Housing Assistance Policy is key to ensuring that the council directs capital resources at the appropriate interventions to meet the council's priority for Maidstone to be a decent place to live through the availability of decent, affordable housing in the right places across a range of tenures. The policy also aims to ensure that residents are not disadvantaged because of where they live or who they are, and that vulnerable people are assisted and the level of deprivation is reduced through the delivery of the policy.

1.6 Risk Management

1.6.1 No risks associated with this consultation.

1.7 Other Implications

1.7.1

1.	Financial	X
2.	Staffing	
3.	Legal	
4.	Equality Impact Needs Assessment	
5.	Environmental/Sustainable Development	
6.	Community Safety	
7.	Human Rights Act	
8.	Procurement	
9.	Asset Management	

1.7.2 Financial – the proposals in this report are intended to be funded from the existing capital budget of £1.8 million and within the agreed revenue resources.

1.8 Conclusions

1.8.1 This is an opportunity for the council to provide a range of incentives for residents to improve their homes and reduce the detrimental impact that poor housing has on residents living in sub-standard housing. By embracing this opportunity there is potential to make a real difference for our residents who would otherwise be unable to remain in occupation.

1.9 Relevant Documents

1.9.1 Appendices

- § Housing Assistance Policy - April 2007
- § Housing Strategy

1.9.2 Background Documents

- § Housing Assistance Policy under Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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