

# WEST DUNBARTONSHIRE COUNCIL

## Report by Executive Director of Housing, Environmental and Economic Development

Housing, Environment and Economic Development Committee: 8 April 2009

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**Subject: Private Sector Housing Grant**

### **1. Purpose**

- 1.1** The purpose of this report is to update the Committee on some important changes being introduced to Private Sector Housing Grant (PSHG), to intimate the offer of grant from the Scottish Government for PSHG for 2009/10 and to recommend how this funding should be allocated and prioritised.

### **2. Background**

- 2.1** The Housing (Scotland) Act 2006 introduces radical reforms to the way in which local authorities engage with home owners. There is to be a fundamental shift from the grants regime which has been in place for around 30 years to a new approach to educate and encourage home owners to plan and care for their own properties and remove the requirement for local authorities to offer financial assistance to carry out repair and improvement works. There will still be a requirement to grant aid the provision of standard amenities for disabled people but with some changes, as noted below.
- 2.2** Each authority is able to decide on the most appropriate means of assistance which will be set out in a Scheme of Assistance. The assistance relates to house repairs, improvements and adaptations and can take the form of giving information, advice, practical assistance, standard and subsidised loans and grants. An underlying principle is that there should no longer be an expectation of grant but instead an acceptance of individual responsibility. The move towards Schemes of Assistance coincides with a change in PSHG funding away from ring-fenced central government funding. Ring-fenced funding will be removed from 2010/11 and funding will then be distributed as part of the authority's General Capital Grant which will continue to separately identify PSHG until 2013/14.
- 2.3** For 2009/10 funding for PSHG is ring-fenced. In recent years the full allocation has been in the region of £1m. This is largely taken up by grants for disabled adaptations and general repair and improvements and by funding of Care and Repair. The initial allocation for 2009/10 is £808,000. Taking into account actual and committed expenditure to 31 March 2009, approximately £85,000 will be available to carry forward into 2009/10, thereby giving a total of £893,000 of available funding for 2009/10.

### 3. Main Issues

#### 3.1 Scheme of Assistance

Initial draft guidance on Schemes of Assistance was issued by the Scottish Government in April 2008. The finalised guidance was issued in February 2009 and authorities have until 31 March 2010 to complete their Schemes. This time will be required to work up the Scheme in partnership with Council interests and partner bodies such as Care and Repair and possibly Credit Unions and other such bodies.

- 3.2 For general improvement and repair works it is expected that householders will be provided with appropriate levels of information that assists them in making informed choices and allows them to control their own outcomes. Homeowners will therefore be able to decide on how much assistance, if any, that they wish to use. Such choices could be to seek funds by releasing equity from their homes where possible or by using some other form of loan finance or savings with grant assistance being regarded as a final form of assistance if no other solution is possible and grant funding is available.

#### 3.3 Disabled Grants

Grants for disabled adaptations are a major part of the PSHG regime in West Dunbartonshire. The Council's Occupational Therapists prioritise applications which are submitted through Care and Repair (who also offer advice and assistance to all disabled applicants). A major legislative change took effect on 1 April 2009 in that all approved applications for adaptations to provide standard amenities for disabled people now attract a minimum grant of 80% of costs. This will mean that such grant awards will generally be higher meaning that for the same amount of funding fewer, but higher awards will be made.

#### 3.4 Allocation of funding for 2009/10

The table below indicates the recommended allocation of funding to the various categories of grant based on demand and expenditure in recent years and the desire to spread available funding across a range of grant categories.

Categories	Proposed Allocation	Percentage Allocation
Below Tolerable Standard (BTS)	£5,000	0.6
Disabled Adaptations	£300,000	33.6
Lead Pipe Replacement	£2,000	0.2
General Repairs	£100,000	11.2
HRA related	£100,000	11.2
Care & Repair	£231,000	25.9
House Condition Survey	£70,000	7.8
Administration	£85,000	9.5
<b>Total Allocation</b>	<b>£893,000</b>	<b>100.0</b>

- 3.5** Applications for disabled adaptations (such as wet floor showers and stair lifts) continue at a high level, administered through Care and Repair which is an essential part of the process. These adaptations are important in allowing people to continue to live in the family home. Changes to the legislative requirements for such grant applications are noted above in paragraph 3.3 and reasonable provision has to be made here as there is a mandatory element to such grants.
- 3.6** Under general repairs there is a lengthy list of expressions of interest in applying for grant should funding be available. This approach has been taken to try to encourage homeowners to undertake necessary repairs and improvements without grant assistance rather than wait, possibly for years, in the hope of eventually getting grant, meanwhile failing to properly maintain their property. There are also competing demands on limited funding from private owners involved in the Council's own proposed capital works programme in the drive to meet the Scottish Housing Quality Standard by 2015. Provision is made for funding for all of these types of work as well as for the special requirements of Below Tolerable Standard (BTS) and lead pipe replacement.
- 3.7** Provision is also made for funding for a house condition survey. Such provision was included in last year's proposed budget spend but was rejected by the Committee. However it is included again this year as the relevance of the information arising from such a survey is greater now than last year. Preparation of the Scheme of Assistance would benefit greatly from house condition survey information (both physical and social) if the Scheme is properly to match the types of assistance proposed with the actual conditions prevailing. In addition the Local Housing Strategy has to embrace all housing tenures including the private sector and a clearer understanding of private sector house condition will help to inform policy formulation. Greater knowledge of condition can also help bids for funding from the Scottish Government. As a result it is considered necessary to undertake a proper survey of private sector house condition which would cover a sample of between 5 and 10% of the private sector stock. The cost of such a survey is estimated at around £70,000 and would be undertaken by consultants.
- 3.8** The suggested allocations would maintain levels of spending on disabled adaptations, fulfil statutory requirements with regard to below tolerable standard housing and lead pipe replacement and acknowledge the need for owners within HRA mixed tenure to access funding. By undertaking a House Condition Survey important information will be gathered which will help preparation of the Scheme of Assistance. The allocation to Care and Repair maintains the Government's priority of funding this important service which is the conduit for all disabled grants but which also provides a wide range of essential services which help home owners to continue to enjoy living in their homes rather than possibly having to be taken into care.

**3.9** General repair and improvement grants for approval will be prioritised from the list of expressions of interest allowing best use of reduced resources. Generally the allocation of grants for disabled adaptations is profiled over four quarters thus ensuring that funding for higher priority cases is available throughout the financial year.

#### **4. Personnel Issues**

**4.1** There are no personnel issues although the role of the Grants Officer will change over the course of the financial year and thereafter once the Scheme of Assistance is in place. This will involve a broadening of the technical and professional advice given, including involvement with maintenance plans and valuation surveys.

#### **5. Financial Implication**

**5.1** Funding comes direct from the Scottish Government and is ring fenced.

#### **6. Risk Analysis**

**6.1** The funding for private sector housing grant is aimed mainly at disabled adaptations and housing repairs and improvements. Demands for disabled adaptations on limited funding will require prioritisation of applications, particularly with the introduction of a minimum 80% grant award. As sufficient funding is not available to meet demand for repair and improvement works there is a risk that the condition of the private sector housing stock will deteriorate.

#### **7. Conclusion**

**7.1** The allocation from the Scottish Government for private sector housing grant will not meet the full demand for grant assisted work. However, the allocation indicated in the table within this report shows an effective way of allocating the limited funds across the range of different types of demand. It is considered essential that a private sector house condition survey be undertaken to assist in the preparation of the Scheme of Assistance, to act as a clear basis for policy formulation in the context of the Local Housing Strategy and to form the basis for successful funding bids in the future.

#### **8. Recommendation**

**8.1 The Committee is invited to:**

- (i) note the requirement to prepare a Scheme of Assistance by 31 March 2010;**
- (ii) note that changes have been introduced relating to grants for disabled adaptations; and**

- (iii) agree the content of this report, including the allocations indicated in the table in paragraph 3.4.

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**Date: 14 April 2008**

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**Appendices:** None

**Background Papers:** Letter of offer of grant from Scottish Government dated 29 December 2008

**Wards Affected:** All