

## **WEST DUNBARTONSHIRE COUNCIL**

### **Report by the Director of Housing, Regeneration & Environmental Services**

**Community Safety and Environmental Services Committee: 3 May 2006**

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**Subject: Private Sector Housing Grant**

#### **1. Purpose**

- 1.1** To inform the Committee of the offer of grant from Communities Scotland for Private Sector Housing Grant for 2006/2007 and to recommend how this funding should be allocated and prioritised.

#### **2. Background**

- 2.1** The grant from Communities Scotland for Private Sector Housing Grant for 2004/2005 and 2005/2006 amounted to £1.228 million and £1.706 million. This followed acceptance by Communities Scotland of a successful bid made in 2003. Prior to that, funding for Private Sector Housing Grants came from the Council's Capital Programme and, whilst varying each year, had been in the order of £400,000 annually.
- 2.2** On 2nd November 2005, the Committee was advised that the methodology for calculating grant for 2006/2007 by Communities Scotland had changed. The grant offer for West Dunbartonshire has now been confirmed at £790,000, despite strong submissions seeking a figure compatible with the last 2 years, based upon expenditure and demand. This reduction of 46% appears to be the highest for any Scottish local authority.

#### **3. Main Issues**

- 3.1** Although £790,000 is considerably higher than the figure available for Private Sector Housing Grant prior to 2004/2005, the legislation has also changed since that time. This has resulted in means testing of grants which, given the age and incomes profile of West Dunbartonshire, has resulted in many grant awards of 100%. Ceilings on approved amounts were also raised by the new legislation. Public expectation has also grown during the two years of higher funding.
- 3.2** Despite the higher allocations over the last 2 years, the funding for new grants has been committed well before the calendar year end, reflecting high demand. Taking account of this, the Committee agreed last October to stop receiving grant applications for repair and improvement works from 4 November 2005. Disabled grants continued to be received as Communities Scotland awarded an additional £80,000 specifically for this category of grant.
- 3.3** However, a waiting list of 197 repair and improvement applications for work valued at £823,800 had already built up by the 4 November 2005 cut off date.

Assuming an average 50% grant award, this equates to funding of £412,000. Since the additional £80,000 worth of disabled grants was committed, a waiting list of 47 applications valued at £264,500 for disabled applications has also built up. Assuming an average 80% grant award, this equates to funding of £212,000. In addition, a list of projects under the HRA Capital Programme (for mixed tenure work to assist owner/occupiers) will look to funding from the £790,000. Finally, although efforts are made to encourage successful applicants to carry out work as soon as possible, inevitably not all approved work can be done within the financial year and the commitment from 2005/2006 to 2006/2007 amounts to approximately £127,000.

- 3.4** Lomond and Clyde Care & Repair is a partner in disabled grant delivery as well as being a priority project for the Scottish Executive. In the past this organisation has been jointly funded with Communities Scotland although the recent intention was for Communities Scotland to withdraw funding. In discussions last year Communities Scotland had indicated a willingness to fund jointly the administration costs of Care & Repair (which amounts to £234,000 in their current business plan) but that has not been reflected in the offer of grant letter. A more recent letter from Communities Scotland includes the expectation that £231,000 of the total award will be allocated to Care & Repair running costs. The salaries of the Grants Officer and Administration Assistant are capitalised and paid from Private Sector Housing Grant funding.

- 3.5** The situation is summarised in the table below:-

Committed from 2005/2006	£127,000 <sup>1</sup>
Waiting List – Repair & Improvement	£412,000 <sup>2</sup>
Waiting List – Disabled	£212,000 <sup>3</sup>
HRA Related Figure	To be considered
Care & Repair Administration	£231,000
HRES Administration	£47,000
<b>TOTAL</b>	<b>£1,029,000</b>

- 1 Current best estimate.
- 2 Figure is 50% of works value based on “typical” percentage experience.
- 3 Figure is 80% of works value based on “typical” percentage experience.

- 3.6** The clear implication is that not even current waiting lists can be fully approved (despite the repair and improvement waiting list being closed since early November, 2005). In order to progress with this situation, consideration has to be given to prioritising approvals and limiting amounts of grant whilst recognising the legislative requirements and acknowledging that some grants are mandatory (e.g. standard amenities where the house has none or where they are required because a disabled occupant cannot use the existing ones).
- 3.7** Under general repair and improvements the focus could be on critical works such as roof and rot works. Applications for works such as render repairs, painter work, door entry systems and close improvements could now be refused. Ceilings can be introduced to grant approvals to spread the assistance across more applicants, and the suggested ceiling is £10,000 (the

legislation has a maximum ceiling of £20,000). Application of such an approach will bring down the waiting list and allow limited funding to be focussed on more expensive and critical works, but it will undoubtedly leave many applicants disappointed at the lack of any assistance.

- 3.8** The number of disabled applications remains consistently high. All such applications are vetted and scored by occupational therapists before being submitted to the Grants Officer through Care & Repair. Only the highest scoring categories of application should be approved but this will mean that many deserving cases will not be able to be aided. The Director of Social Work has agreed that a further set of objective criteria will be developed by Occupational Therapy staff to assist this exercise.
- 3.9** HRA related work is important to the successful implementation of the Council's Housing Capital Programme however grant assistance will only be able to be given in exceptional circumstances. The implications of this situation will be presented to a future Social Justice Committee.
- 3.10** Lomond and Clyde Care and Repair works with several Council services and the considered view of all Council officers is that the investment in their core funding delivers considerable external funding support as well as a positive and responsible service that is highly valued by its users. The high allocation for revenue support limits the amount of funding available for grants and this will be discussed further with Communities Scotland.
- 3.11** A total of £385,000 is available for new grants once the committed figure and administration costs are deducted from the figure of £790,000. The total available for new grants may change slightly depending on various circumstances however the Committee needs to agree priorities for allocation of available funds.
- 3.12** Given previous spending, the funding could readily be spent if all allocated to disabled grants. However, it is considered prudent to allocate a percentage to repair and improvements. A split of 80% available funding to disabled grants and 20% to repair and improvement grants may seem appropriate. Whilst repair and improvement grants for approval should be taken from the waiting list it would be prudent to profile the sum for disabled grants over 4 quarters to ensure that funding for higher priority cases is available throughout the year.

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

- 4.1** There are no personnel issues.

#### **5. Financial Implications**

- 5.1** The major reduction in funding from Communities Scotland will result in under provision of grant assistance to private sector house owners in 2006/2007.

#### **6. Conclusions**

**6.1** There is a need to limit the types of work and amounts of grant award in order to prioritise the very limited funding for Private Sector Housing Grant.

## **7. Recommendation**

### **7.1 The Committee is invited to:-**

- (a) note the content of this report;**
- (b) agree that for repair and improvement grants all applications (including those on waiting lists) for works other than roofing or rot works be refused and those applications for roof or rot works which are approved be capped at a maximum of £10,000;**
- (c) agree that a scheme be drawn up with Social Work, Occupational Therapists and Care and Repair to ensure that grant assistance is only given to disabled applicants ranking within the highest categories;**
- (d) note that mandatory grants will still have to be approved. This relates mainly to the installation of standard amenities where the house does not already have them and standard amenities for disabled people who cannot use the existing ones;**
- (e) note that the reduced funding allocation will impact significantly on planned projects within the agreed HRA capital plan 2006/2007;**
- (f) agree that meetings should be arranged with Communities Scotland and Care & Repair at an early date to seek further funding for 2006/2007; and**
- (g) agree that the funding available for new grants be allocated on a split of 80% for disabled grants and 20% for repair and improvement, with the disabled spend being profiled equally over 4 quarters.**

**David McMillan**

**Director of Housing, Regeneration and Environmental Services**

**Date: 24 April 2006**

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**Wards affected:** All

**Background Papers:**

- 1. Report to Community Safety & Environmental Services dated 2 November, 2005.
- 2. Letter from Communities Scotland dated 27 March, 2006.

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