

**AMENDMENTS TO THE COUNCIL'S HOUSING RENEWAL ASSISTANCE
POLICY DOCUMENT**

(Report by the Head of Housing Services)

1. INTRODUCTION

- 1.1 The purpose of this report is to recommend three changes to the Council's Housing Renewal Assistance Policy.

2. BACKGROUND INFORMATION

- 2.1 The Council thoroughly revised its approach to housing renewal in light of changes introduced under the Regulatory Reform (Housing Assistance) Order (England and Wales) 2002 (RRO). The effect of the RRO was to repeal the duties authorities had to make renovation and home repair assistance grants and to introduce new permissive powers "to provide assistance" to acquire, repair, adapt or demolish living accommodation.
- 2.2 The Council adopted the Housing Renewal Assistance Policy in April 2003 and every year, the policy is reviewed. Major policy changes which affect the financial limits of existing powers have to be considered by Cabinet and Full Council. This report recommends two major changes.

3. EXEMPT DISPOSAL

- 3.1 The policy enables the Council to give loans to help home owners on low incomes to repair or improve their homes. The first policy change concerns the repayment of the loan. Usually, the loan is repaid when the property is sold. This is called 'Relevant Disposal'.
- 3.2 There are certain circumstances where the loan does not have to be repaid. These are called 'Exempt Disposal'. This where the property changes ownership but where it is not sold, assigned or a long lease granted. An example is inheritance. Where there is an exempt disposal, the loan would not be repaid.
- 3.3 It is recommended that, in the future, the loan should be repaid if the new owner of the property does not intend to live at the property as their main and principal home. The reason for this is that the beneficiary may intend to rent the property for profit without having to repay any loan granted by the Council and secured on the property.

4. DISABLED FACILITIES TOP-UP ASSISTANCE

- 4.1 Disabled Facilities Top-Up Assistance loans can be made to help an owner-occupier pay for disabled facilities that cost more than the maximum £25k Disabled Facilities Grant (DFG). The loan is for the difference between the maximum DFG and the full cost of the works and becomes a charge on their property. Before providing Top-Up Assistance the additional funding may be first sought from other sources such as charities and/or Social Services. Housing Association tenants are not entitled to Top-Up Assistance on the basis that there is no property

against which a charge can be placed and the Council can assist with re-housing if Top-Up Assistance is not available from elsewhere.

- 4.2 Occasionally, the Council receives an application to adapt the home of a family member who is not the disabled person, for example, adults adapting their home to facilitate an older relative living with them. In these cases, the disabled person is subject to the mandatory means test on the £25k DFG. However, through adapting the family member's home, we could be adding substantial value to the property. It is therefore recommended that, where a DFG exceeds the £25k maximum and Top Up Assistance is considered, that the Top Up should be subject to a further means test of the property owner's ability to pay. When the Government abolished the means test for children's mandatory DFGs, HDC approved a policy to means test the parents of the child on their ability to pay towards the Top Up. This will therefore bring this proposed policy stance in line with an earlier Cabinet decision.

5. DETERMINATION OF WHETHER TO AWARD A LOAN OR A GRANT FOR REPAIRS ASSISTANCE

- 5.1 Repairs Assistance is financial assistance to help people to repair their homes e.g. roofing, electrical work etc. The policy currently states that where the owner has less than 25% of the market value of the property in equity, the Council should award a grant instead of a loan.
- 5.2 In order to maximise the Council's return on investment, it is proposed that this policy stance is replaced to state that it is only where the equity is insufficient to support a loan that the Council may offer a grant. Where the equity is insufficient to support the total cost of work, a grant can be considered for the remaining amount by the Private Sector Housing Officer or a more senior officer.
- 5.3 The usual eligibility and means test will continue to apply.

RECOMMENDATION

It is recommended that the Housing Renewal Assistance Policy Document be amended:

1. That exempt disposal should only apply if the person who inherits the property in question intends to continue to live in the property as their principal home otherwise it should be deemed to be a relevant disposal and the loan repaid.
2. Property owners should be subject to the means test for Top-Up Assistance for adults DFG's where the disabled person is not the property owner but is the beneficiary of the DFG.
3. Where the equity is sufficient to support a loan, the Council will offer a loan for the cost of work, subject to the usual eligibility and means test. Where the equity is insufficient to support the total cost of work, a grant may be considered for the remaining amount by the Private Sector Housing Officer or a more senior officer.

BACKGROUND INFORMATION

- HDC's Housing Renewal Assistance Policy Document, April 2003 as amended in 2006
- HDC's Housing Strategy 2006-11
- Regulatory Reform (Housing Assistance) Order (England and Wales) 2002

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