



REPORT TO EXECUTIVE

PORTFOLIO AREA: COMMUNITIES & HOUSING

Date of Meeting: 11th March 2013

Public

Key Decision: Yes

Recorded in Forward Plan: Yes

Inside Policy Framework

Title: Scheme of Housing Assistance (Empty Properties and Disabled Facilities Grants)

Report of: The Director of Community Engagement

Report reference: CD16/13

Summary:

The current scheme of housing assistance has been updated to reflect new services that Carlisle City Council can offer to private sector landlords on the back of successful funding bids to bring empty properties back into use. A revised scheme of assistance including empty property grants and loans is attached to this report (Appendix 1). The updated policy re-states the position with regard to Disabled Facilities Grants which remain mandatory.

Recommendations:

- That Members of the Executive approve the new Policy for Housing Assistance and the use of funds as described in Appendix 2.
- It is recommended that the use of the funds as outlined at Appendix 2 and granting of grants and loans will be the responsibility of Officers and as such delegated to the Director of Community Engagement and Director of Resources

Contact Officer: Keith Gerrard

Ext: 7350

TRACKING:

Executive:	11 th April 2013
Overview and Scrutiny:	28 th March 2013
Council:	30 th April 2013

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers: None

1. BACKGROUND INFORMATION

- 1.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO) placed a duty on local authorities to publish a housing assistance policy for the private sector. The RRO was adopted by Carlisle City Council on 9th September 2003. The policy has been amended since its adoption to allow actions to be taken by officers relating to the Private Housing Sector.

2. HOUSING ASSISTANCE

- 2.1 Under the proposed Housing Assistance Policy, Disabled Facilities Grants will continue to be available. These grants are mandatory and funded via a separate funding stream. Any other grants and loans that the Council proposes to offer are discretionary and depend on the availability of resources.
- 2.2 Since April 2012 no housing assistance has been available in Carlisle for anything other than Disabled Facilities Grants. However successful bids for external funding in recent months have secured the finance necessary to enable assistance to be offered to the owners of empty homes to bring them back into use.
- 2.3 The funding must be used in accordance with the prescribed criteria but can be used to provide grants and loans. Most of the schemes have a finite lifespan with a cut-off date of March 2015. The conditions attached to the funding streams are included in the proposed housing assistance policy document in Appendix 1.
- 2.4 Approving the amended Housing Assistance Policy will enable the Council to offer financial incentives to empty property owners to bring those properties back into use and therefore increase the availability of much needed housing accommodation in the area. Appendix 2 summarises the sources of funding obtained and the match funding requirements.

3. RECOMMENDATIONS

- 3.1 That Members of the Executive approve the Housing Assistance Policy and the use of funds as described in Appendix 2.
- 3.2 It is recommended that the use of the funds as outlined at Appendix 2 and granting of grants and loans will be the responsibility of Officers and as such delegated to the Director of Community Engagement and Director of Resources

4. REASONS FOR RECOMMENDATIONS

- 4.1 To enable the provision of loans and grants to the owners of empty property to enable them to be brought back into use. To continue with the provision of Disabled Facilities Grants as described in the Housing Assistance Policy.

5. IMPLICATIONS

- Staffing/Resources – An Empty Property Officer and Housing Apprentice, working within the Private Sector Housing Team will undertake most of the additional work required to deliver the empty property initiatives. The Housing Technical Officers will undertake work relating to Disabled Facilities Grants.
- Financial – Disabled Facilities grants funding from the Government in 2013/14 is estimated at £663,000 with the Council contributing a further £200,000.

The assistance schemes outlined to enable empty properties to be brought back into use are backed by funding from three main external sources. Community Grant Programme – awarded to YMCA by Homes and Communities Agency (HCA) totals £540,000 and is supported by £50,000 direct funding from the Council. The Cluster Bid totals £254,000 and the Community Infrastructure Fund (CIF) totals £250,000. As outlined in Appendix 1, this funding will be used to provide various grants and loans to property owners and will be registered as a land charge against the property. The Director of Resources will have delegated authority to set an appropriate interest rate for the Cluster Bid loans. The CIF loans will be required to be repaid to Cumbria County Council after 5/6 years.

It is recommended that the use of the funds as outlined at Appendix 2 and granting of grants and loans will be the responsibility of Officers and as such delegated to the Director of Community Engagement and Director of Resources

- Legal – As stated in the Report, the ability of the Council to exercise its power to provide assistance for people to acquire, adapt or repair accommodation etc is dependent on the adoption of a relevant Policy. Such a policy was adopted by the Council and it forms part of the authority's budget and policy framework, therefore, any proposed amendment must be available for scrutiny before the Executive make a final recommendation to Council.
- Corporate – N/A

- Risk Management – There are financial risks associated with administering loan funding and these will be managed through careful planning of the loan scheme and close working with colleagues in the Legal and Finance teams.
- Environmental – Empty properties can blight areas and bringing them back into use can improve this.
- Crime and Disorder – Empty properties can encourage anti-social behaviour, encouraging vandalism and fly tipping.
- Impact on Customers – Bringing empty properties back into use provides valuable housing accommodation and increases the sense of well-being among those who reside nearby.
- Equality and Diversity –

Impact assessments

Does the change have an impact on the following?

Equality Impact Screening	Impact Yes/No?	Is the impact positive or negative?
Does the policy/service impact on the following?		
Age	Yes	Positive
Disability	Yes	Positive
Race	Yes	Positive
Gender/ Transgender	Yes	Positive
Sexual Orientation	Yes	Positive
Religion or belief	Yes	Positive
Human Rights	Yes	Positive
Health inequalities	Yes	Positive
Rurality	Yes	Positive

If you consider there is either no impact or no negative impact, please give reasons:

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If an equality Impact is necessary, please contact the P&P team.

HOUSING RENEWAL ASSISTANCE

POLICY DOCUMENT

2013

Private Sector Housing
Community Engagement Directorate
Carlisle City Council
The Civic Centre
Carlisle
CA3 8QG

Introduction

The Regulatory Reform (Housing Assistance) Order 2002 equipped local authorities with a new wide ranging power to provide assistance for housing renewal based on the principle that repairs are fundamentally the responsibility of the property owner, and grant assistance should only be given in particular circumstances.

Poor quality housing can have an adverse effect on the health and well being of the occupants in an area and the presence of long term empty properties can be a blight on the neighbourhood and a waste of a precious resource.

The Council recognises that assistance cannot be made available to all residents. Disabled Facilities Grants will continue to be offered to applicants who meet the eligibility criteria. All forms of assistance beyond Disabled Facilities Grants are dependent on the availability of external funding. Carlisle has been successful in obtaining funding from a variety of sources which will enable assistance in the form of grants, loans or a combination of both to be made available to the owners of long term empty properties to improve the existing built environment, provide good quality affordable housing and to increase housing choice.

Types of assistance

Disabled Facilities Grants

The provisions governing mandatory Disabled Facilities Grant (DFG) are contained in the Housing Grants, Construction and Regeneration Act 1996 (the 1996 Act), as amended by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. The Order extended mandatory DFG eligibility to those occupying park homes and houseboats.

Provided they meet the defined criteria, all owner-occupiers and tenants, licensees or occupiers are eligible for DFG. Landlords may also apply for a DFG on behalf of a disabled tenant but must also satisfy the relevant requirements. Housing Association tenants are eligible to apply for DFG and are assessed for needs on the same basis as private owners and tenants and under the same means testing arrangements.

Riverside (Carlisle) pay for DFG adaptations to their own properties where the cost of the work does not exceed £7,000. Where works exceed £7,000 limit, Riverside will refer the application to Carlisle City Council who will process through the usual DFG route. On completion the £7,000 contribution from Riverside will be recovered.

It is the Council's policy to place a Land Charge on every property which is subject to a Disabled Facilities Grant. If such a property is sold within a 10 year period, starting on the date of completion of the work, the Council will use its discretion to reclaim the funding that exceeds £5,000, but may not require a repayment exceeding £10,000. In applying its discretion, the following criteria will be considered:

- The extent to which the recipient would suffer financial hardship if the grant were reclaimed
- Whether the disposal of the property was to enable the recipient to take up employment, or change the location of their employment

- Whether the disposal of the property is made for reasons of the recipient's mental or physical health or well being
- Whether the disposal is made to enable the recipient to live with, or near, any person who will provide care for the recipient by reason of their disability

Any decision on repayment will be made by the Director of Community Engagement in consultation with the appropriate Portfolio Holder.

Discretionary payments may be made where the maximum grant level has already been reached and

- Unforeseen works have arisen once work has commenced on site. For example discovering drain or sewers on the site which could not have been foreseen, major works to foundations etc.
- A change in an applicants circumstances has arisen between grant approval being given and works being completed making it unreasonable to expect a contribution from the applicant. For example, relationship breakdown between the original joint applicants, the death of a joint applicant.

In ensuring that the funding available for Disabled Facility Grants can benefit the maximum number of recipients, a scheme of re-commissioning items of key equipment such as shower room pods, stairlifts etc., will be applied.

The Council will charge professional fees for providing services for owners or occupiers of dwellings which are subject to DFG applications. These fees will be assessed in relation to individual grant applications.

Other housing assistance

The following types of grant assistance may also be available, depending on the availability of external funding:

Empty Property Grants

Grants will be made available to allow the delivery of the Clusters of Empty Homes programme of up to £2,000 to owners of properties which have been empty for longer than 6 months and in areas where there are clusters of empty properties, as a 'quick fix' incentive for the owner to re-let the property.

The property, on completion of works, must be free from Category 1 Hazards under the Housing Health and Safety Rating System (HHSRS) and must be re-let, at an affordable rent, within 12 weeks of completion of the works, for a minimum period of 12 months. Repayment of the grant will be required if these conditions are contravened.

Empty Property Loans

These loans are available to eligible owners to assist with bringing empty properties, which have been vacant for more than 6 months, back into use for residential occupation. These will be made available to contribute towards the cost of carrying out an agreed package of works to properties. It will normally be expected that the property will be brought up to the Decent Homes Standard as defined in Schedule 1.

As loan finance has been secured from a variety of funding streams, there are several delivery mechanisms and loan criteria which can be summarised as follows:

Loans linked to Community Grant Programme

The Community Grant programme managed by the YMCA, offers grants to property owners to assist them in bringing long term empty properties back in to use. In return for the grant, the applicant must agree to lease the property to the YMCA for a 5 or 10 year term. Financed by Carlisle City Council loans will be available through the YMCA to assist property owners.

These loans will be repayable by the owner through the rent collected from tenants over an agreed term, no longer than five years. The YMCA will forward these payments to the Council. These loans are not subject to a test of resources.

Cluster Bid Loans

Alongside the Empty Homes grants described above, Carlisle in conjunction with Allerdale and Copeland, have secured Cluster Loan funding from the Homes and Communities Agency. This is available in areas where clusters of empty properties have been identified. The loans may be used for individual dwellings, to bring empty residential accommodation above commercial premises, (such as flats above shops) into use and to convert commercial property to residential accommodation. On completion of the works, the property must achieve the Decent Homes Standard.

Landlords must re-let their property within 4 months of the work being completed, otherwise immediate repayment of the loan will be required. The landlord will be required to set up a payment plan to repay the loan. It is expected that loans will be in the region of £8,000 to £10,000. The maximum loan payable will be £15,000. A variable rate of interest determined by the Director of Resources will be applied. A condition of the loan will be that the property is re-let for a minimum period of 5 years.

Under this scheme, the repaid loan money will be recycled and ring fenced for empty homes to ensure that long term empty property intervention measures continue to be delivered.

CIF loans

These loans utilise funding from the Cumbria County Council's Community Infrastructure Fund (CIF). They will be offered on a similar basis as the **Community Grant Programme** described above, and not necessarily confined to areas where there are concentrations of empty properties.

The repaid loan monies cannot be recycled, as repayment of the fund must be made to Cumbria County Council, in full, within 5/6 years.

Conditions attached to grants and loans

All grants and loans which have been paid will be registered as a Local Land Charge. Immediate repayment of grant will be required if grant conditions are not met. Immediate repayment of loan will be required if loan conditions are not complied with.

Decent Homes Standard

For the purposes of awarding Decent Homes, the following failures shall be considered:

- Dwellings containing one or more hazards assessed as serious ('Category 1') under the HHSRS.
- Dwellings not in a reasonable state of repair due to **either** one or more of the key building components are old and, because of their condition, need replacing or major repair; **or** two or more of the other building components are old and, because of their condition, need replacing or major repair.
- Dwellings without reasonably modern facilities and services, by virtue of lacking three or more of the following:
 - ◆ a reasonably modern kitchen (20 years old or less);
 - ◆ a kitchen with adequate space and layout;
 - ◆ a reasonably modern bathroom (30 years old or less);
 - ◆ an appropriately located bathroom and WC;
 - ◆ adequate insulation against external noise (where external noise is a problem);
 - ◆ adequate size and layout of common areas for blocks of flats.
 - ◆ A home lacking two or fewer of the above is still classed as decent, therefore it is not necessary to modernise kitchens and bathrooms if a home meets the remaining criteria;
- Dwellings that do not provide a reasonable degree of thermal comfort by virtue of not having both effective insulation and efficient heating;

More detailed definitions of the reasons for failure of the Decent Homes Standard can be found in the Department for Communities and Local Government publication *Decent Homes, definition and guidance for implementation: June 2006 update*.

Housing Assistance Policy – Financial Information

External Funding Source	Funding Bid	Match funding	Estimated number of empty homes made ready for occupation
Community Grant Programme – awarded to YMCA by Homes and Communities Agency (HCA)	£540,000 awarded to YMCA. £50,000 Empty Homes Assistance made available by the Council to YMCA as a loan fund where costs exceed grant limit.	YMCA are the accountable body. No requirement for match funding from Carlisle City Council.	Up to 45 properties by December 2014
Cluster Bid – awarded to Carlisle City Council by the HCA for designated streets within designated wards, including empty properties within the Settle to Carlisle Conservation Area	£254,000	Empty Homes Officer - Year 1 £36,800 Empty Homes Officer - Year 2 £37,200 Housing Apprentice - Year 1 £5,700 Housing Apprentice - Year 2 £9,600 From DFG Department of Health £109,400 Conservation Rolling fund £75,000 ----- Total £273,700	Up to 45 properties by March 2015
<i>*Community Infrastructure Fund (CIF) /LEP/Cumbria County Council</i>	<i>Bidding for up to £250,000 for loans</i>	<i>Match funding from partner organisation, mainly as grants awarded</i>	<i>Delivery targets to be confirmed once the outcome of the bid is known and a delivery partner is selected.</i>

*Bid application in progress, decision expected in April 2013