

# Report to Community Overview and Scrutiny Panel

Agenda  
Item:

**A.4**

Meeting Date: 30th May 2013  
Portfolio: Communities and Housing  
Key Decision: Yes: Recorded in the Notice Ref:KD  
Within Policy and Budget Framework YES  
Public / Private Public

Title: SCHEME OF HOUSING ASSISTANCE (EMPTY PROPERTIES & DISABLED FACILITIES GRANTS)  
Report of: The Director of Community Engagement  
Report Number: CD 34/13

## Purpose / Summary:

The attached report provides an updated housing scheme of assistance that reflects services that the council undertake in relation to dealing with empty property and Disabled facility grants (DFG's) in the private rented sector.

## Questions for / input required from scrutiny

Input from this committee regarding the updated scheme of assistance.

## Recommendations:

That the attached report that went to the Executive on 7<sup>th</sup> May 2013 be considered and comments forwarded to the Executive.

**Contact Officer:** Keith Gerrard

**Ext:** 7350

## Tracking

Executive:	7 <sup>th</sup> May 2013 & 1 <sup>st</sup> July 2013	
Overview and Scrutiny:	30 <sup>th</sup> May 2013	
Council:	16 <sup>th</sup> July 2013	

# Report to Executive

Agenda  
Item:

Meeting Date: 7th May 2013  
Portfolio: Communities and Housing  
Key Decision: Yes: Recorded in the Notice Ref: KD 08/13  
Within Policy and Budget Framework YES  
Public / Private Public

Title: SCHEME OF HOUSING ASSISTANCE (EMPTY PROPERTIES & DISABLED FACILITIES GRANT)  
Report of: The Director of Community Engagement  
Report Number: CD 31/13

## Purpose / 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.
- That a decision to proceed with future Empty Property schemes be delegated to the Portfolio Holder.

## Tracking

Executive:	1 July 2013	
Overview and Scrutiny:	30 May 2013	
Council:	16 July 2013	

## **1. BACKGROUND**

- 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 9<sup>th</sup> 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 currently being progressed have a finite lifespan with a cut-off date of March 2014. 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 for the current schemes.
- 2.5 Opportunities to bid for empty property funding often arise at short notice and delivery of such schemes is expected within a short timescale. It is therefore advantageous to build flexibility into the housing assistance policy

## **2. PROPOSALS**

- 2.1** 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.

## **3. CONSULTATION**

- 3.1** Consultation has taken place with primary stakeholders, including landlords and managing agents.

## **4. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

- 4.1** The revised housing assistance policy will enable the provision of loans and grants to be made to the owners of empty property and assist in bringing them back into use.

## **5. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

- 5.1** The proposals will help support the Carlisle Plan priority to address Carlisle's current and future housing needs.

**Contact Officer: Keith Gerrard**

**Ext: 7350**

**Appendices  
attached to report:**

**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

**CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's -**

**Community Engagement –**

**Economic Development –**

**Governance** 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 pursuant to The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. 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.

## **Local Environment –**

**Resources** - 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 in the report, to enable empty properties to be brought back into use, are backed by funding from the Homes and Communities agency (HCA). The Cluster Bid totals £254,000 with the funding being 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.

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

# **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 between £2,000 and £5,000 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.

### **Contribution to the 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.

The Council is supporting this programme by providing technical assistance with the grant process, identifying properties suitable for the scheme and carrying out initial negotiations with property owners.

### **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.

### **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
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 <b>£36,800</b> Empty Homes Officer - Year 2 <b>£37,200</b> Housing Apprentice - Year 1 <b>£5,700</b> Housing Apprentice - Year 2 <b>£9,600</b> From DFG Department of Health <b>£109,400</b> Conservation Rolling fund <b>£75,000</b> ----- <b>Total                   £273,700</b>	Up to 45 properties by March 2015

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## **EXCERPT FROM THE MINUTES OF THE EXECUTIVE HELD ON 7 MAY 2013**

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**EX.41/13      SCHEME OF HOUSING ASSISTANCE (EMPTY PROPERTIES AND  
DISABLED FACILITIES GRANTS)**  
(Key Decision – KD.08/13)

**Portfolio**      Communities and Housing

**Relevant Overview and Scrutiny Panel**      Community

### **Subject Matter**

The Communities and Housing Portfolio Holder submitted report CD.31/13 concerning the Scheme of Housing Assistance (Empty Properties and Disabled Facilities Grants).

By way of background, the Communities and Housing Portfolio Holder reminded Members that 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 had been adopted by the City Council on 9 September 2003 and subsequently amended to allow actions to be taken by Officers in relation to the private housing sector.

She added that Disabled Facilities Grants, which were mandatory and funded via a separate funding stream, would continue to be available under the proposed Housing Assistance Policy. Any other grants and loans which the Council proposed to offer would be discretionary and dependant upon the availability of resources.

Since April 2012 no housing assistance had been available in Carlisle for anything other than Disabled Facilities Grants. However, in recent months, successful bids for external funding had secured the finance necessary to enable assistance to be offered to the owners of empty homes to bring them back into use.

The funding had to be used in accordance with the prescribed criteria, but could be used to provide grants and loans. Most of the schemes currently being progressed had a finite lifespan with a cut off date of March 2014. The conditions attached to the funding streams were included in the proposed Housing Assistance Policy document (Appendix 1).

The Communities and Housing Portfolio Holder emphasised that approval of the amended Housing Assistance Policy would enable the Council to offer financial incentives to empty property owners to bring those properties back into use, and in so doing increase the availability of much needed housing accommodation in the area. A summary of the sources of funding obtained and the match funding requirements was provided at Appendix 2 to the report.

Opportunities to bid for empty property funding often arose at short notice and delivery of such schemes was expected within a short timescale. It was therefore advantageous to build flexibility into the Housing Assistance Policy.

In conclusion, the Communities and Housing Portfolio Holder moved the recommendations set out in the report, which were seconded by the Environment and Transport Portfolio Holder.

**Summary of options rejected**    None

## **DECISION**

1. That the Executive approved the new Policy for Housing Assistance and the use of funds as described in Appendix 2 to Report CD.31/13.
2. That the use of the funds, as outlined in Appendix 2 and granting of grants and loans, would be the responsibility of Officers and as such delegated to the Director of Community Engagement and Director of Resources.
3. That a decision to proceed with future Empty Property Schemes be delegated to the Portfolio Holder.

## **Reasons for Decision**

The revised Housing Assistance Policy would enable the provision of loans and grants to be made to the owners of empty property and assist in bringing them back into use