

REPORT TO: COMMUNITIES COMMITTEE ON 16 FEBRUARY 2010

SUBJECT: PRIVATE SECTOR HOUSING GRANTS

BY: DIRECTOR OF COMMUNITY SERVICES

1. REASON FOR REPORT

- 1.1 This report is presented to Committee to seek approval for proposed changes to the Housing Grants Scheme and for the Private Sector Housing Grants (PSHG) Budget for 2010/2011.
- 1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme relating to Private Sector Housing.

2. RECOMMENDATION

2.1 It is recommended that the Communities Committee:-

- (i) approves the proposed changes to the Private Sector Housing Grant scheme and;**
- (ii) approves the proposed Private Sector Housing Grants Budget for 2010/2011, as detailed in APPENDIX I.**

3. BACKGROUND

- 3.1 On 1 December 2009, the Communities Committee agreed the introduction of a Scheme of Assistance to take effect from 1 April 2010 (paragraph 6 of the Minute refers). A Scheme of Assistance is required under the Housing (Scotland) Act 2006 to replace the existing Private Sector Housing Grant scheme. This will bring about substantial changes to the way that the current PSHG scheme operates and how the Council will assist owners to repair, improve and adapt their properties in the future. This includes the Government's policy vision that –
- there will be a cultural change in attitudes to housing quality
 - owners will become more aware of their housing repair responsibilities
 - owners will invest more to ensure their homes have a substantial future.
- 3.2 Under the Scheme of Assistance, grant funding can be divided into two broad categories - mandatory and discretionary.
- 3.2.1 Mandatory grant assistance must be made available to all disabled applicants wishing to adapt a house to suit their assessed needs. The type of works carried out under this heading includes the provision of level access showers, stairlifts

and external ramps. These grants are means tested but have a minimum rate of grant of 80% of the approved cost of the works. The average rate of grant from 1 April 2009 has been 89%. The average grant figure over the same period is £5,191 per application.

3.2.2 Discretionary grant assistance is available to assist with works that improve or repair the condition of a house. The type of work carried out under this heading are essential roof repairs, eradication of dampness, provision of adequate drinking water supplies and upgrading houses that are below the tolerable standard. Discretionary grant assistance is also used to fund some areas of disabled adaptations that are not covered by mandatory grant regulations. To enable grant funds to be targeted to those most in need, these grants are also means tested. The average rate of grant from 1 April 2009 has been 78%. The average grant figure is £4,280 per application.

3.2.3 The discretionary grant budget also funds the Moray Care & Repair Service. This service is targeted towards disabled and/or elderly home owners and provides assistance in the submission of grant applications, the production of necessary plans and quotations from suitable contractors. The Service also supervises works on site and ensures works are carried out on time. The Service is provided by Castlehill Housing Association at a cost of £0.114m per year.

4. FUTURE FUNDING

4.1 The notional level of PSHG of £1.216m for 2010/11 shows a 35% reduction in funds available from the 2009/10 budget of £1.870m. The reduction of £0.654m is due to a number of factors, including a change in Scottish Government's methodology in calculating the amount of Private Sector Housing Grant. The Scottish Government has indicated that PSHG will continue to reduce annually. By 2013/14, the budget is expected to be in the region of £1.120m.

4.2 Given the reduction in PSHG available to the Council, all categories of grants will see a reduction in the number of grants that can be funded from 2010/11, before any changes are considered for the level of grant assistance to be provided.

4.3 In light of the budget position and the Scottish Government's wish that home owners should take more responsibility for funding home improvements and repairs, the level of assistance provided through grant has been reviewed.

4.4 Contact with neighbouring authorities indicates that financial assistance will be restricted to properties falling below the tolerable standard and/or applications received through their Care and Repair services with grant levels capped. Some city authorities are concentrating on offering financial assistance for common repairs or when enforcement powers have been used. Other authorities are offering greatly reduced rates of grant.

5. PROPOSED CHANGES

5.1 As a response to the budget pressures and to move away from grant assistance, the following changes are proposed -

- (i) To fall in line with most other authorities and to begin a gradual transition away from reliance on grant assistance, discretionary repair grant assistance for replacement windows is withdrawn. The most frail and elderly members of the community will continue to benefit from grant assistance for these works through Moray Care & Repair. This could release funding of £0.030m;
- (ii) Discretionary repair grant applications from private sector tenants are refused unless the planned works have been the responsibility of the tenant, under the lease, for two years or the works are for health and safety reasons. This could release funding of £0.038m;
- (iii) Discretionary improvement grant applications from applicants who fall into the developer category are refused. This could release funding of £0.040m;
- (iv) The rate of discretionary improvement grants to bring houses above the tolerable standard is reduced by 50%. This will reduce the maximum rate of grant from 100% to a maximum of 50%. This could release funding of £0.045m;
- (v) The rate of discretionary repair grants, used to carry out repairs to the fabric of a house, is reduced by 50%. This will reduce the maximum rate of grant from 100% to 50%. This could release funding of £0.054m;
- (vi) The rate of discretionary improvement and repair grant applications received through Moray Care & Repair is reduced by 25%. This will reduce the maximum rate of grant from 100% to 75%. This could release funding of £0.085m.

5.2 The proposed changes above could potentially release funding of £0.292m. These changes would help to offset the reduction in funding from the Scottish Government.

5.3 In the current year, it is projected that 110 disability grants will be funded. If the funding released through the changes above is directed towards disability grants, this would enable the number of households to be offered grant assistance to be maintained at 110 in 2010/11.

5.4 Due to the proposed reduction in PSHG funding and the anticipated rise in the number of grant applications for disabled adaptations, it is suggested that the implications for future funding of the Care and Repair Project in Moray are reviewed during 2010/11.

6. PROPOSED PSHG BUDGET 2010/2011

6.1 The proposed Private Sector Housing Grant budget is detailed in **APPENDIX I**. This proposed budget is subject to the outcome of the Council Meeting on 11 February 2010.

6.2 The Committee will note that the layout of reporting the proposed budget has remained unchanged, the system, comprising of three headings - "Independent Living", "Housing Condition Works" and "Other Works". These headings are then further divided into nine categories.

6.2.1 **Independent Living** – this offers assistance to older people and those with disabilities

Category 1 funds the running costs for the Moray Care & Repair scheme

Category 2 funds the provision of information & advice eg information packs

Category 3 funds half of grants staffing costs

Category 4 funds grant assistance to applicants with disabilities and to older members of the community to help them remain their own homes

Category 5 funds any non-financial assistance eg information on loans, subsidies etc.

6.2.2 **House Condition Works**

Category 6 funds the provision of information & advice for this part

Category 7 funds the remainder of grant staffing costs

Category 8 funds grant assistance to help carry out improvements to poor quality housing that is below the tolerable standard

Category 9 funds grant assistance to help carry out repairs to poor quality housing

6.2.3 **Other Works**

This helps to fund the operating cost of SCARF, which provides advice and information on all types of energy efficiency and cost saving measures across all tenures so assisting the Council meet its obligations under the Home Energy Conservation Act 1995.

7. **SUMMARY OF IMPLICATIONS**

(a) Single Outcome Agreement/Community Plan/Service Improvement Plan

The improvement of housing quality and maintaining individuals with disabilities within their communities are key elements of the Single Outcome Agreement, the Moray Community Plan, the Local Housing Strategy and the Housing Service Improvement Plan.

(b) Policy and Legal

There are no policy or legal implications arising from this report.

(c) Resources (Financial, Risks, Staffing and Property)

PSHG will cease to be a ring-fenced budget on 31 March 2010. Future funding will be provided from the General Capital and Revenue Grant.

(d) Consultations

The Director of Community Services, the Chief Housing Officer, the Housing Programmes Manager, Principal Environmental Health Officer, the Principal Accountant (Deborah Bosworth), Occupational Therapy Operational Support Manager and the Moray Care & Repair Senior Project Officer.

8. CONCLUSION

- 8.1 This report presents the proposed budget for Private Sector Housing Grants for 2010/11. It also proposes changes to the level of grant assistance provided for discretionary grants.**

Author of Report:	Ivor McIvor, Home Improvement Services Manager Jill Stewart, Chief Housing Officer
Background Papers:	with author
Ref:	SDG/IMcl/PSHG