

**Report to** Cabinet  
10 December 2014  
**Report of** Head of city development services  
**Subject** Private Sector Housing Financial Assistance Policy

**Item**

14

## KEY DECISION

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### Purpose

To consider an update of the council's financial assistance policy for home repair, improvement and adaptation.

### Recommendation

To approve the *Private sector housing financial assistance policy*.

### Corporate and service priorities

The report helps to meet the corporate priority 'Decent housing for all' and the service plan priority to deliver disabled facilities grants and financial assistance to vulnerable owner-occupiers to tackle poor housing conditions and to enable people to continue to live in their own homes.

### Financial implications

The approved capital budget for the current financial assistance policy is £1.14M for 2014-15. The proposed policy will help ensure that the benefits of this budget are maximised by offering loans that are repayable over five years. That will enable a proportion of the funds to be recycled.

**Ward/s:** All wards

**Cabinet member:** Councillor Bremner – Housing

### Contact officers

Alison Spalding, Housing strategy officer 01603 212871

Paul Swanborough, Housing Strategy Manager 01603 212388

### Background documents

None

# Report

## Current Provision

1. The council currently provides grants and loans to owner-occupiers for disabled adaptations, to remove significant hazards to health or to carry out minor emergency repairs.
2. The council is required to provide disabled facilities grants to eligible applicants. However, other financial assistance is discretionary.
3. It is well established that having access to a warm, secure home, that is free from hazards and disrepair allows people to maintain healthier lifestyles, attain better results in education and work, and reduces health inequalities. Good housing is central to people's sense of wellbeing.
4. Whilst it is generally accepted that owners have the principal responsibility to maintain their homes, some do not have the means to do so. For this reason, the council currently provides the following discretionary assistance to home owners who are in receipt of one or more qualifying benefits:
  - a) **Extension to the disabled facility grant** – a secured loan of up to £30,000 to help in situations where a disabled facility grant is not sufficient to cover the cost of all the necessary works, for example where there is an extension or very complex needs. The loan is secured against the property but is interest-free and repayable only on disposal of the property.
  - b) **Small Adaptations Grant** – a discretionary grant of up to £2,500 to help vulnerable people make small adaptations to their homes, where a disabled facility grant is not suitable, or where works are required urgently, for example to assist a safe discharge from hospital.
  - c) **Minor Works Grant** – a discretionary grant of up to £500 in any one 12 month period, to help vulnerable people make emergency repairs or undertake investigatory works, such as electrical, structural or asbestos testing.
  - d) **Home Improvement Loan** – a secured loan of up to £35,000 available to reduce or eliminate serious hazards to health as identified by the Health and Housing Safety Rating System (HHSRS). The loan is secured against the property but is interest-free and repayable only on disposal of the property.
  - e) **Empty Homes Grant** – a variable discretionary grant to help bring long term empty properties back into use to help people in housing need.

## **Changes to the policy**

5. The new policy will introduce some significant changes:

- a) All applicants will undergo a financial assessment which will determine ability to pay and what form of assistance (i.e. grant or loan) would be most appropriate.
- b) Assistance will be offered to landlords for the first time. This is primarily intended to ensure that tenants are not evicted if landlords cannot afford to carry out necessary works. It will also provide loans to the owners of empty homes as an incentive to bring them back in to use.
- c) The distinction between the current grants and loans will be removed and replaced with a single scheme for owner-occupiers and another for landlords.

6. The new policy does not make any changes to the DFG scheme. At present, as this is laid down under statute, we are not able to alter it.

## **Home-Owners Scheme**

- 7. The scheme is intended to prevent, reduce or eliminate category 1 hazards or high category 2 hazards as identified by the housing health and safety rating system, or to provide for adaptations that cannot be met through a disabled facilities grant. It cannot be used for cosmetic or non-essential upgrades to property, or for routine maintenance.
- 8. Home owners can apply for up to £35,000, although this may be extended in exceptional circumstances with head of service approval.
- 9. Each application will be assessed on the household's actual income and outgoings, savings, and the value of their property. This will provide an opportunity to carry out a benefits check to increase income or to refer the applicant to debt advice or other services if necessary.
- 10. Where outgoings are considered to be unreasonably high the council may refuse to offer assistance.
- 11. Assistance may be refused if it is evident that an applicant is able to access a loan through a high street bank or building society, or other institution such as a credit union.
- 12. Based on this, the assistance could be offered in the form of a grant, an interest-free loan repaid in instalments over five years, or an equity loan repayable on disposal of the property.
- 13. In some circumstances, for example for emergency works or small adaptations, assistance may be offered without a financial assessment if the cost of the works does not exceed £750. In these cases, an assessment will be carried out after the works have been carried-out and will either be a grant or a loan repayable over a 12 month period.

14. It will be a condition of the assistance that work is carried out through the council's Home Improvement Team. This will ensure quality and value for money.

### **Landlord Scheme**

15. While it is recognised that landlords have a duty to maintain their properties and to make sure they are fit for tenants to live in, there are occasions where it may be reasonable to offer them assistance. These include:

- a) Cases where a lack of available funds to carry out repairs or improvements may result in a tenant being made homeless
- b) Landlords who have purchased properties that require improvements, as an incentive to them to retain existing tenants
- c) Where it may help to bring an empty home back into use

16. Assistance would be limited to a loan, repayable over five years and subject to the following conditions:

- a) Landlords must be a continuing member of a landlord or property accreditation scheme identified by the council
- b) The rent must not be increased unreasonably
- c) There will be an expectation that tenants will not be evicted unless there has been a significant breach of the tenancy conditions
- d) Any tenancy vacancies will be open to those in receipt of benefits or who are otherwise vulnerable

17. Failure to comply with the conditions would lead to a requirement to repay the loan immediately.

## Integrated impact assessment



**NORWICH**  
City Council

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

Committee:	Cabinet
Committee date:	10 <sup>th</sup> December 2014
Head of service:	Andy Watt
Report subject:	Private Sector Housing Financial Assistance Policy
Date assessed:	25 <sup>th</sup> November 2014
Description:	

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Funding has already been approved for this programme
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	We already offer financial assistance. There will only be minor changes to existing call scripts and processes.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Minor changes to Civica processes will be required
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Financial assistance may be extended to people with low income but who do not qualify for benefits
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It will help to reduce the number of households living in unhealthy housing.

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It will prevent homes from becoming dilapidated
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It will help low-income households to improve the energy efficiency of their homes.
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments

	Impact			
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Recommendations from impact assessment				
Positive				
Negative				
Neutral				
Issues				