Abstract: This report considers the utilisation of Private Sector Housing Grants for property maintenance.

1 RECOMMENDATION

It is recommended that the committee:-

1. Note the content of the report and the options for the use of Private Sector Housing Grants (PSHG).

2. Retain the existing policy in relation to the use of grants for housing repair and the current Scheme of Assistance.

2 BACKGROUND

2.1 The Infrastructure Services Committee received Report 558/11 which considered a range of issues related to PSHG and Angus Care and Repair. The committee resolved ‘That consideration of Report 558/11 be deferred for further clarification’.

2.2 Report 619/11 was submitted to Angus Council on 15 September 2011 and dealt with the issues relating to Angus Care and Repair.

2.3 The outstanding issues from Report 558/11 relate to how PSHG funding should be utilised for property repair grants.

3 CURRENT POLICY/SCHEME OF ASSISTANCE

3.1 The Housing (Scotland) Act 2006 provides the statutory basis for the scheme of assistance which is predominantly financed through PSHG.

3.2 The main objective is to enable people to identify appropriate measures to live independently in suitable housing that meets their needs.

3.3 Mandatory grant is available to fund provision of standard amenities and some structural alterations to meet the needs of disabled occupants. All grants for other works are discretionary.

3.4 Section 4 of the scheme of assistance sets out the process related to the provision of adaptations. This is carried out by an occupational therapist (OT) in accordance with the Council's Equipment and Adaptations Risk and Needs Assessment Matrix which takes into consideration the ongoing needs of the disabled person and others living in the house.

3.5 The service can include advice and the provision of temporary equipment. If it becomes apparent that the person requires a permanent adaptation which is defined as a major adaptation the applicant will be eligible for mandatory grant assistance.
3.6 Examples of major adaptations within the terms of the Policy are:

- Partial kitchen adaptation
- Level access shower
- Alteration/widening of doors
- Ramped access
- Stairlifts

3.7 The Council have a mandatory duty under the 2006 Act to provide a minimum of 80% grant funding for adaptations to provide a disabled occupant with the necessary adaptations. The aim of this is to assist homeowners and private tenants to remain in their homes and live independently in the community they are familiar with and supported in.

3.8 Applicants will be eligible for 100% grant if they, their spouse, civil partner, partner or dependent are in receipt of one of the following income replacement benefits:

- Income support.
- Income based jobseekers allowance.
- Pension credit (guarantee element).
- Income Related Employment and Support Allowance.

3.9 Applicants who receive the 80% grant but do not qualify for the 100% grant will not be eligible for any further financial assistance from the Council to fund this but they will have full access to the range of information, advice and other kinds of non financial assistance available.

3.10 Where a property is extended solely to make room for standard amenities such as a bathroom, the cost will be covered by mandatory grant. Where an extension provides standard amenities and living accommodation only the element containing the standard amenity will receive mandatory grant. If a homeowner wishes to take on the cost of additional works to provide living accommodation the Council will be able to offer advice and information on carrying out the non grant funded element.

3.11 Minor Adaptations/Additional Assistance for Elderly and Disabled People

3.11.1 Angus Care & Repair provide various services for older and disabled people in Angus with an assessed need. They are able to help with:

- Care and Repair – Assistance to organise major repairs, improvements and adaptations. Help to identify sources of funding.

3.11.2 Angus Care & Repair provide a service to private sector occupants, helping them to carry out minor adaptations and repairs which mean they can stay in their home and live independently in their community safely and comfortably.

3.12 Financial Assistance/Discretionary Repair Grant

3.12.1 The Council’s current policy on repair grants is set out in the scheme of assistance (SoA). Prior to the changes introduced by the SoA, grant funding has been the main driver for repairs and improvements in private sector housing. The Housing (Scotland) Act 2006 offers local authorities a new way to engage with homeowners and encourage them to take responsibility for their own property, removing grant dependence. In line with this, Angus Council expects homeowners to finance repairs and improvements from their own resources. Only once this option has been fully explored, and it is proven that it is not an option, will Angus Council consider giving access to publicly funded sources such as grants.
3.12.2 The Council must ensure that its limited resources are targeted at essential works, and therefore only certain categories of work will be eligible for discretionary grants; a flat grant of 25% will normally be awarded (subject to budget constraints and where eligible works are in excess of £1,000) to assist in the remedy of significant breaches of the Tolerable Standard. These works are:

- The first time provision of standard amenities for the use of the property.
- Provision of a wholesome water supply, including replacement of lead pipework, where the lead content present in the water exceeds the prescribed maximum limit.
- Where a property is structurally unstable, and there is risk of full or partial collapse (as identified by an independent structural survey).
- Roof repairs, where there is clear evidence of water ingress.

3.13 Certain other qualifying criteria will apply to discretionary grants:

- The property must be the applicant’s only or principal residence.
- The applicant must have lived in the house for over two years.
- The applicant did not buy the house knowing its condition with a view to carrying out improvements.
- The applicant did not remove standard amenities themselves.

3.14 It is the responsibility of the owner to fund any additional cost of works not covered by a grant, information, advice and other assistance will be available.

3.15 Acceptance of a discretionary grant will include conditions with which the applicant must comply for a period of 10 years from satisfactory completion of works:

- If the owner, or a member of their family, occupies the property it must be their only or main residence.
- The property must be used as a private dwelling.
- The property must be kept in a good state of repair.

3.16 Non-compliance with these conditions may lead to a demand of repayment of any financial assistance granted with interest. This may be secured against the title deeds of the property.

3.17 There are limited resources for discretionary grants, and therefore some work categories will not qualify for grant funding, these are:

- Properties in minor breach of the Tolerable Standard.
- Replacement of lead pipework, where the lead content in the water is below the prescribed maximum permitted level.
- Properties in significant breach of the Tolerable Standard but not included in the priority categories.
- General repair and improvements work.

3.18 If a situation arises where grant funding would not normally be provided, but there are mitigating circumstances, the case will be passed to the Director of Neighbourhood Services and Director of Infrastructure Services for consideration. After reviewing the case the Directors may decide that it is appropriate for discretionary grant funding to be made available on a “one-off” basis. In this situation the applicant would be informed of the process and any resulting decision.

3.19 This scheme was introduced in response to the housing act and the new principle of grant funding for repairs being the option of last resort, but has resulted in there being no uptake and thus a significant underspend in this budget area.
4  FINANCIAL ENVIRONMENT

4.1 The current financial pressures faced by the Council, and early analysis of the 2011 Spending Review announcement suggests there is unlikely to be any significant funding available for discretionary repair grants. This is at variance with the anticipated situation when Report 558/11 was presented to the committee.

4.2 The total capital monitoring budget for Private Sector Housing Grants for 2011/12, as set out in the 2011/12 Final Capital Budget Volume (report 589/11 refers) is £428,000, with a provisional budget allocation of £528,000 for 2012/13. However following the 2011 Spending Review Announcement, the Council’s total capital grant allocation for 2012/13 is projected to reduce in light of further cuts in spending and a re-profiling of capital grant between financial years by the Scottish Government. Consequently, it is anticipated that the level of capital grant available for PSHG in 2012/12 will reduce and the capital grant available may be more in line with the 2011/12 monitoring budget, albeit this is subject to further analysis and discussion as part of the finalisation of the 2012/13 budget.

4.3 Average expenditure for adaptation grants over the last three financial years is approximately £370,000, with a projected expenditure of £395,000 for 2011/12 (report 778/11 refers). Given the inflationary pressures in the construction industry at present it would also be prudent to allow a contingency sum for potential increases in the cost of mandatory adaptation grants of £20,000. Allowing for this potential spend ranging from £390,000 to £415,000 per annum compared with an available budget of £428,000 in 2011/12, this would leave a maximum budget available for discretionary repair grants ranging from £38,000 to £13,000.

4.4 Having regard to this estimated level of expenditure and the projected reductions in available capital grant for 2012/13 there is limited flexibility at present to expand the discretionary grant scheme criteria. It may however be possible to review this position at a later stage if funding allows. Officers had however already commenced work to identify possible options for allocating discretionary repair grants and these are set out below.

5  OPTIONS FOR ALLOCATION OF DISCRETIONARY REPAIR GRANTS

5.1 If funding is available the Council has two main options:

1. Retain the existing criteria and redirect uncommitted general capital grant to other Council priorities (it is not ringfenced).

2. Relax the criteria.

5.2 The discretionary repair grant is available to help private house owners to improve the standard of a property or its condition. It is not currently focused on or directly related to people with particular needs or adaptations. Relaxation of criteria could include increasing the percentage of grant available, and/or relaxing the financial tests applied before making grant available.

5.3 An example of how the availability could be expanded, or criteria relaxed would be to award Discretionary Repair and Improvement Grants for the following works:-

- structural repairs;
- roof repairs where there is evidence of water ingress;
- eradication of dry/wet rot;
- electrical rewiring (where current installation is deemed dangerous);
- window replacement (only in worse cases of disrepair);
- replacement of lead water supply where lead content is above permitted level;
- energy efficiency and sustainability measures.
Following an analysis of the awards for general repair and improvement grants for the 3 years prior to the introduction of the SoA identified that the most common and most expensive type of works for which assistance was requested, was for roof repairs. The average cost of eligible works for roof repairs was in the region of £4,640, although, depending on type and size of roof, the costs varied from under £1,000, right up to what was the previous maximum level of grant of £12,600.

5.5 Repair grants could, therefore, be awarded on the following basis:

- 100% of the eligible costs, up to a maximum of £5,000, for works listed above, where the owner/occupier is in receipt of any of the four approved welfare benefits;
- 50% of eligible costs, up to a maximum of £5,000, for works listed above where the owner/occupier is not in receipt of any of the four approved welfare benefits.

5.6 This increase in the percentage of grant available could either be applied after the financial tests being applied as at present, or without the need for any financial assessment. If the financial tests were applied the relaxation of access criteria is unlikely to have any significant impact.

5.7 If this increase in grant award was applied without the financial test being applied then there is a likelihood that there would be greater uptake of grant.

5.8 The relaxation of the financial testing and the increase in percentage could be restricted/open to:-

1. Homeowners who were currently being awarded grant funding for adaptations, or who had received adaptation funding in the past.
2. Homeowners over 60, i.e. who can currently utilise Angus Care and Repair services.
3. All homeowners.

5.9 Discussions with colleagues in Social Care and Health indicate that there is no evidence of housing condition being a major contributory factor in the requirement to take people into care. On this basis there is unlikely to be a reduction in social care costs as a result of increased uptake of repair grants. Therefore the only tangible benefit of increasing grant percentage or relaxing financial assessment process would be to improve the housing stock within Angus.

5.10 Having regard to the current financial environment and the limited impact on social care costs, it is recommended that the existing policy for discretionary repair grants and consequently the existing Scheme of Assistance is retained at this time.

6 RISKS

6.1 The main risks in the report relate to the availability of funding. Widening the criteria for discretionary grants would create a significant risk of demand being greater than the available budget.

7 FINANCIAL IMPLICATIONS

7.1 There are no financial implications directly associated with the recommendations contained in this report.

7.2 Provision for expenditure associated with Private Sector Housing Grants is contained within Planning and Transport’s 2011/12 Final Capital Budget and the 2011/12 Revenue Budget. Projected expenditure for 2011/12 based on retention of the existing Scheme of Assistance can be contained within these available resources.
8 HUMAN RIGHTS IMPLICATIONS

8.1 There are not Human Rights implications arising from this report.

9 EQUALITIES IMPLICATIONS

9.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective (as required by legislation). An equalities impact assessment has been undertaken.

10 SINGLE OUTCOME AGREEMENT

10.1 This report contributes to the following local outcomes contained with the Single Outcome Agreement for Angus.

- Our communities are safe, secure and vibrant.
- We have improved the health and wellbeing of our people and inequalities are reduced.
- Individuals are supported in their own communities with good quality services.
- Our natural and built environment is protected and enjoyed.
- Our carbon footprint is reduced.

11 CONSULTATION

11.1 The Chief Executive, Director of Social Work & Health, Director of Corporate Services, Director of Neighbourhood Services, Head of Law & Administration and Head of Finance have been consulted during the preparation of this report.

12 CONCLUSIONS

12.1 Whilst the capital budget available for adaptations and repairs has been underspent since the criteria were tightened, the grant funding which is likely to be available in the future suggest there will only be sufficient to facilitate grants for adaptations.

12.2 The Scheme of assistance is still relevant and valid in relation to the two main areas of adaptation grants and repair grants and therefore should be retained but modified to reflect the changes in responsibility agreed by the Council earlier this year.

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NOTE: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973, (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.

IS/ESL/JSG
17 October 2011