

Summary of Southwark Council Housing Renewal Policy July 2003

a) Background

From July 18th 2003 new rules replace the current housing renovation grant system. These new rules, brought in by the Regulatory Reform (Housing Assistance) Order, repeal the existing housing grants and renewal system.

The old rules are replaced by a new general power to help any person with the adaptation, improvement, conversion, or repair of a dwelling or building. The overall aim is to improve living conditions.

Where as before there was a national system of grants and renewal legislation councils are now much more free to devise local policies to tackle local problems.

The type of assistance to be given is now up to the local authority.

The only part of the old system that stays the same is the special grant for disabled households known as the Disabled Facilities Grant. This is still a mandatory grant. Each council has to have a summary of their policy that is available on demand to members of the public. This document is Southwark Councils summary of its new housing renewal policy.

B) Types of Assistance.

Under the old system Southwark traditionally had a large programme of renovation grants. Under the new legislation these grants no longer exist.

The old renovation grants dealt with properties that were already in very poor condition. Under the new system the Council will still deal with these properties but it will also develop types of assistance which will aim to prevent property falling into serious disrepair in the first place. This will involve a range of housing maintenance initiatives.

In addition to this the Council will be actively considering new forms of financial assistance. These will sometimes make use of the equity held in the property – this is the difference between the mortgage outstanding and the value of the property. Many properties in Southwark have substantial equity.

The Council will therefore offer information, advice and support, access to loan finance and a new type of grant aid.

C) Where will assistance be available and who will be able to access it?

The Council has to try and strike a balance between the areas of the borough that need the most attention, known as priority areas, and the needs of vulnerable households across Southwark as a whole.

The Councils' resources are also limited and so whilst everyone will be eligible for advice and assistance the Council will target its own financial resources on priority areas and vulnerable households.

There will continue to be a safety net for the most vulnerable residents across the whole borough. The Government has a wide definition of vulnerable groups but the

Council will not be able to directly assist them all because its resources are limited. Because of this direct financial assistance from the Council will be targeted at a local definition of vulnerable households set out below. Other households will usually receive advice and assistance only.

This makes the local definition of vulnerability very important as it is a key factor in deciding who will be eligible for financial help from the Council.

The Councils' definition of vulnerable households will include

- Elderly households in receipt of mean tested benefits or on low incomes
- Disabled households

This will be a guideline definition only and the Council will also consider other cases as they arise and on merit.

D) What help will be given?

The following are the broad principles that will govern what assistance is made available. They are guidelines only and the Council will also consider other requests for assistance as they arise.

- All residents will be eligible for basic advice and assistance on disrepair , maintenance and accessing finance
- Vulnerable residents will be eligible for a grant of up to £5,000. This option will be known as **Southwark Small Works Grant** and will cover general housing repairs, minor adaptations and energy efficiency and security works.
- Where the cost of work exceeds the £5,000 grant limit a loan from the Council will be available and this will be known as the **Southwark Home Repair Loan**. It will be a simple Equity Release loan. The loan will be for a maximum of £20,000. In total the grant of up to £5,000 and the council loan for £20,000 will provide a potential maximum figure of help from the Council of £25,000. The loan element will only be repayable at the point of sale or transfer of the property.
- For works above this level vulnerable residents will receive comprehensive advice and assistance on accessing private finance.
- Non vulnerable residents will not usually be considered for the Council's grant and will only be eligible for the Council's loan in declared renewal areas such as the Bellenden Renewal Area
- Non-vulnerable residents living outside declared renewal areas will be offered advice on accessing loan finance and equity release
- Residents will be offered a comprehensive package of maintenance initiatives
- Owners of privately owned empty properties that are in need of major repairs will be able to apply for an Empty Homes Grant if they are willing to make their properties available to the Council or a Housing Association partner.
- Landlords of privately rented property that is already fit for human habitation will qualify for limited assistance towards increasing energy efficiency in their properties via the PLEASE grant
- Usually no grant will be provided to landlords other than for bringing empty homes back into use and for increasing energy efficiency. However the Council

will consider applications from landlords willing to accept Council nominations and/or let properties at reduced rents.

E) Where can I find out more?

This is only a summary document. It aims to set out the broad principles of the Council's new approach. Detailed advice on the various forms of assistance and how to apply can be obtained from the Private Housing Renewal business unit at 21- 23 Bournemouth Road, Peckham, SE15 4UJ.
Tel. 020 7525 4242.