

**DRAFT**

Summary of Southwark Council Housing Renewal Policy July 2003

a) Background

From July 18<sup>th</sup> 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, repair or demolition 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, where necessary, new types of grant aid. The Council will also be continuing its Group Repair programme in Renewal Areas but with a higher level of private contribution required from property owners.

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 and on people in priority areas.

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
- Disabled households
- Households on low incomes where housing conditions are contributing to serious ill health

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

#### 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 job is bigger than this vulnerable residents will be eligible for a different grant known as the **Southwark Repair Grant** which will cover repair costs up to £10,000. This grant will be subject to certain conditions as to repayment which staff can advise you on. If the work required to bring the property up to the desired standard will cost more than £10,000 then the award of grant will be dependent upon taking out a loan from the Council or a private lender in order to complete the job.
- Where the cost of work exceeds the £10,000 grant limit a loan from the Council will be available and this will be known as the **Southwark Home Repair Loan**. It will be an interest free loan and you will only have to repay the amount that you borrowed and no more. The loan will be for a maximum of £15,000. In total the grant of up to £10,000 and the council loan for £15,000 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
- Within declared Renewal Areas Group Repair will be available to residents in roads identified as in need of it by the council. Group Repair is the scheme where the Council helps repair an entire terrace of homes as has been done in the Bellenden area. The Council will expect substantial contributions to the cost of works from those owners who can afford it and repayment conditions will apply
- Owners of privately owned empty properties that are in need of major repairs will be able to apply for an Empty Homes Grant. Landlords willing to make their properties available to the Council or a Housing Association partner will receive first consideration for any grants available.
- 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.