

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 21 May 2013	<b>Meeting Name:</b> Cabinet Member for Regeneration and Corporate Strategy
<b>Report title:</b>		Consultation on Changes to Housing Renewal Policy	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director Environment and Leisure	

## RECOMMENDATIONS

1. The Cabinet Member for Regeneration and Corporate Strategy approves the revised forms of financial assistance to be offered to home owners, leaseholders, landlords and tenants in the private sector within the existing Housing Renewal Policy as set out in paragraph 23.
2. The Cabinet Member for Regeneration and Corporate Strategy approves that the financial assistance that is available excludes tenants of registered providers.

## BACKGROUND INFORMATION

3. The existing Housing Renewal Policy was agreed by the council executive in July 2003. This was in response to the Regulatory Reform Order (Housing Renewal) 2002, known as the 'RRO.' The RRO repealed nearly all of the then existing housing grants legislation and thereby ended the renovation grants system. The only grant remaining from the system is the Disabled Facilities Grant (DFG), which is still mandatory and is governed by legislative directives.
4. Southwark's Housing Renewal policy also provides other forms of assistance by means of grants and loans to enable assistance for improving and repairing homes in the general private sector, although this provision is targeted to the most vulnerable groups - either defined by age (elderly), income (low income families) or disability. The other grants and loans not subject to proposed change are:
  - Small Works Grant – for minor repairs up to £5,000.
  - Empty Homes Energy grant – for energy efficiency works up to £1,500.
  - Small Repairs Scheme – plumbing and small roofing works up to £1,000.
  - Empty Property Minor Works assistance – works to bring an empty property back into use such as clearing, cleaning and redecoration up to £3,000 (or £2,000 if the property is a studio flat).
  - Property Appreciation Loan – works to bring a property to the warm, safe and dry standard where the cost of the works exceeds the combined Repair Loan and Grant assistance up to £60,000.
5. This report seeks approval to implement the recommendations to provide changes to the assistance offered which are being proposed to manage how future priorities are delivered in the current economic climate. The proposal to

amend particular forms of assistance has been chosen where there is scope to reduce the level of assistance in line with future budget levels.

6. It is important to note that Southwark is one of the few councils still offering discretionary grant assistance. Many other local authorities, including those in our sub region, have moved towards offering more loans. The council is committed to offer a level of grants in line with the council's Fairer Future promises to support vulnerable people to live independently, safely and healthily.
7. The grants and loans up to £5,000 mentioned in paragraph 3 were not subject to proposed change as they are relatively small forms of assistance. The property appreciation loan (PALs) was reviewed with a view to increasing the level of maximum award. However it is proposed not to alter this as in time it will become self financing. This is due to the fact the monies will be recycled back into the council with an agreed percentage increase in the value of the property at the time of repayment, between 10% and 15% depending on the original sum borrowed.

## **KEY ISSUES FOR CONSIDERATION**

### **Consultation**

8. Consultation with stakeholders, interested parties and a cross section of residents across wards has taken place between July 2012 and January 2013. The stakeholder groups that have been consulted on the proposals are:
  - Age UK Lambeth and Southwark – the local branch of the National Age UK charity providing services to the elderly population
  - Citizens Advice Bureau – charity providing advice on legal, debt, consumer and financial matters particularly to low income groups
  - Southwark Legal Advice Network – agency offering legal assistance to Southwark residents covering debt, housing, welfare benefits and related matters available to all equality groups
  - Peckham Settlement – community charity for Peckham residents serving the elderly and families with young children were consulted and provided feedback prior to going into liquidation
  - Southwark Pensioners Forum – council forum representing all pensioner groups in the borough
  - Southwark Disability and Mobility Forum – council forum representing disabilities groups
  - Southwark Carers – advice agency supporting carers across the borough and representing low income, disability, families and elderly groups
  - Blackfriars Settlement – advice service providing debt, housing, welfare benefits and consumer advice to all equality groups
  - Contact a Family – advice and support service to parents of children with disabilities
  - and a sample of 2000 private sector residents across wards were written to regarding the proposals.
  - Occupational Therapy Department, Social Services

### **Initial Proposals**

9. The table below summarises the initial proposed changes that were subject to consultation and details the areas where the council is considering amending the

Housing Renewal policy. It should be noted that Disabled Facilities Grants are a statutory service where mandatory grants are provided to Southwark's disabled residents who require their homes to be adapted. These applicants may be private sector residents of Southwark council or registered providers operating within Southwark. (Adaptations for Southwark's council tenants are funded separately via the HRA). The maximum level of grant is set by government and is currently £30,000 so there will be no change to providing this assistance, although it should be noted that average costs of works in Southwark are a little over £14,000.

<b>Type of Assistance</b>	<b>Current Maximum Level</b>	<b>Proposed Maximum Level</b>	<b>Comments</b>
Landlord Grants (excluding other social landlords or registered providers)	£15,000	£8,000 loan	To consider changing landlord assistance from a grant to a loan with 5 year repayment conditions. Works to meet Private Sector Housing Warm, Dry & Safe principles.
Repair Loan	£20,000	£15,000	Loans to homeowners aged 60 and low income or disabled, propose to reduce from £20,000 to £15,000. Also loans offered to low income families (with children aged up to 16 yrs) currently 5 per annum offered borough wide – propose to reduce number to maximum of 3 per annum
Repair Grant	£10,000	£7,000	Grants to homeowners aged 60 & low income or disabled, propose to reduce from £10,000 to £7,000. Grants are subject to repayment if property is sold or disposed within 5 years from completing works; propose increase to length of repayment conditions from 5 to 7 years
Empty Homes Grant Private renting	£8,000	£8,000 loan	To consider changing Empty Homes £8,000 assistance from a grant – to a loan with 7 year repayment conditions. Available to bring empty units back into use for private renting.

Type of Assistance	Current Maximum Level	Proposed Maximum Level	Comments
Empty Homes Grant Social letting	£12,000	£10,000	Higher level of assistance for properties coming back to council for social letting – proposing to reduce grant from £12,000 to £10,000
Moving on Grant	£10,000	£7,000	To assist homeowners whose properties are in major disrepair or too large for their needs to be easily adapted, to move to more suitable accommodation. Proposing to reduce level of grant from £10,000 to £7,000 and to suspend assistance from year 2013/14 onwards
Group Repair Grant	£22,500	£15,000	Available to means tested owner occupiers living in renewal areas. Proposed increase to repayment conditions from 5 years to 7 years

10. Current average sizes of grants and loans are:

- Landlord grants £14,000
- Repair loan £12,000
- Repair grant £9,000
- Empty homes grant, for private let £7,000
- Empty homes grant, for social let £12,000
- Moving on grant – no applications in 2012/13
- Group repair grant £8,000 (excluding retrofit work externally funded)

11. The most significant affect of these proposals will be in terms of landlord grants. The current average grant has been £14,000; however the proposal is to offer a loan up to a maximum sum of £8,000. Although this is a significant reduction, it is considered that landlords are the group with the greatest opportunity to manage any reduction in assistance.

12. The capital budget for Housing Renewal assistance in 2012/13 was £2.99m against committed costs of £2.89m. The reduction in budget has been split over 10 years to ensure that impact of the reduction will not be experienced in one year or across all forms of assistance. The profiling of the budget ensures that the numbers of applications that will be assisted remain at the same level as previous years. The projected spend in 2013/14 for this assistance is £1.9m, which is within the revised budget of £2.0m. It is anticipated that the new levels of assistance will come into force in approx 3 months following publication of the revised policy document.

## Consultation responses

13. All stakeholder organisations responded to the consultation and 78 responses from residents were received.
14. The Department of Health recommends carrying out health impact assessments as a good practice measure which may inform or take the place of equality assessments. They consider how various policies impact on the physical and mental health of equality groups and can be used for any policy review, not just those relating to public health matters. A health and equality impact assessment was carried out during the consultation process to examine the effect of the proposed revisions to the policy on the health and well being of specific equalities groups, in particular disability and age since we recognise that these groups are most likely to be affected by the proposed changes. This was conducted by means of a questionnaire sent to everyone who had received the service in the past year. Some questionnaires were posted, others were completed by the Financial Counsellors who conduct the initial assessments in the client's home, and this contributed towards a response rate of 78%.
15. The framework followed a yes/no checklist with space for individuals to elaborate on their responses. The questions considered whether the proposals would have a direct impact on health, mental health and wellbeing. The health questions asked if they considered their health would be improved, worsened or have little affect by the forms of assistance provided under the Housing Renewal policy. Supplementary questions asked if the assistance would affect social inclusion, independence, and mobility. The analysis of responses revealed that 63% of clients were of the opinion that their health circumstances would improve following the support provided by the council and the improvement works being carried out. No responses revealed a worsened condition caused by the assistance provided. Where an improvement in health was felt, the level of improvement was described to be either medium or long term.
16. The responses to the health and equality impact assessment demonstrated that the assistance provided under the Housing Renewal policy would have a positive effect on the elderly, disabled and low income family groups. However, the analysis also revealed that the disabilities group were more concerned than other groups about the affect of suspending the Moving on Grant. This group considered the impact on their health could be compromised if the grant was suspended and they could not afford to adapt their current home. Although physical health aspects were a primary concern, typical responses highlighted they would be less likely to invite friends and families into their home and this would have a negative affect on their social/mental capacity and wellbeing.
17. From responses received, the overall concern was whether the budget restrictions and proposed reduced levels of assistance would affect the provision of DFGs. Although there is no change to DFG assistance which is a statutory provision, there are cases in which other enabling work, such as rewiring to enable the installation of stair lifts, is required and this work is provided by means of discretionary assistance in the form of grants and loans. Without this assistance the DFG would not happen. Over 72% of responders and the Occupational Therapy team felt that a reduced budget could delay or possibly prevent some of this work from taking place. Although this was accepted as a valid concern, in light of the financial climate and the requirement to work within a tighter budget, options have been considered to mitigate these concerns.

18. Concerns were raised regarding the repair loan to low income families, where although the need to reduce the maximum amount was understood, it was felt that a reduction in availability to low income families from 5 loans per annum to 3 borough wide would severely affect residents since there are known to be a large number of families in poverty with young children living in Southwark. This view was most strongly voiced from "Contact a Family" and the CAB who felt the assistance offered was restricted enough and did not need to be reduced any further.
19. As demonstrated from the health and equality impact assessment, the final concern raised from the consultation related to the Moving on Grant and whether it could continue to be offered and not be suspended as proposed, due to the potential negative impact on the disability group and more people felt they would be willing to take advantage of this form of assistance when the effects of the welfare reform are realised.

### Revised recommendations

20. The issue of reduced budgets potentially affecting enabling works for DFGs was considered when developing the proposals and arrangements will be put into place to ensure the enabling works can be carried out. This includes providing flexibility between budget headings of various forms of assistance so that any underspend in one area can be vired to where needed. There is scope within the budget to move resources from an area with less demand and allocate the resource to where needed in order to ensure that the mandatory DFG work is provided.
21. Following feedback from the consultation the proposed reduction in the number of repair loans to low income families was reviewed. Given the concerns set out in paragraph 18 it is now proposed to maintain the current levels of availability of such loans. This can be reviewed after the first year of implementation.
22. The possible negative impacts on health of suspending the moving on grant, in particular to the disability equalities group, were also considered. It is now proposed that the moving on grant is not suspended. This decision can be revisited in 2014/15 to take account of demand, since take up to date has been low.
23. The feedback to the consultation has been incorporated into a revised table below; it is recommended that this revision be approved.

Type of Assistance	Current Level	Proposed	Comments
Landlord Grants as above.	£15,000	£8,000 loan	No change to table shown at paragraph eight above
Repair Loan	£20,000	£15,000	Loans to homeowners aged 60 & low income or disabled, propose to reduce from £20,000 to £15,000 and the loans offered to low income families (with children

Type of Assistance	Current Level	Proposed	Comments
			aged up to 16 yrs) <b>to remain at a maximum of 5 borough wide.</b>
Repair Grant	£10,000	£7,000	No change to table shown at paragraph eight above
Empty Homes Grant Private renting	£8,000	£8,000 loan	To consider changing Empty Homes £8,000 assistance from a grant – <b>to a loan with 5 year repayment conditions.</b> Available to bring empty units back into use for private renting.
Empty Homes Grant Social letting	£12,000	£10,000	No change to table shown at paragraph eight above
Moving on Grant	£10,000	£7,000	To assist homeowners whose properties are in major disrepair or too large for their needs to be easily adapted, to move to more suitable accommodation. Proposing to reduce level of grant from £10,000 to £7,000 <b>however this grant will not now be suspended from 2013/14 onwards</b>
Group Repair Grant	£22,500	£15,000	No change to table shown at paragraph 8 above

24. Amendments will be made to the full policy document that incorporates these proposals. This will include publication on the council website and housing strategy pages. We will also let people know about the changes by running an article in Southwark Life and provide them with the opportunity to apply for grants as required. The full policy document will be available for inspection at Southwark Council's office during normal working hours and copies of the documents containing a summary of the policy may be obtained by post.

### Policy implications

25. The financial provisions set out in the revised levels of assistance remain within the legislation of the Regulatory Reform (Housing Assistance) Order 2002 and fall within the current financial packages agreed by the executive in 2003. The aims and objectives of the Housing Renewal policy are also reflected in the following policies and strategies:

- Southwark's Housing Strategy 2009-16 states – we will prioritise the use of grant schemes to help vulnerable and older person households tackle fuel poverty and ill health, and cut non decency in private sector housing.
- The policy fits within the cabinet decision to extend the Nunhead and East Peckham renewal areas by 4 years to 2015. Around 40% of the work provided by housing renewal assistance takes place in the renewal areas and must be delivered to meet the requirements of the Fairer Future promises within the Council Plan.
- A key aim of national policy is to support making the homes of vulnerable private sector residents decent. Although measuring decency is no longer monitored by government, Southwark has adopted its own Warm Safe and Dry standard and the Housing Renewal policy has incorporated this standard level for private sector accommodation.
- A key performance indicator in the council plan is the number of empty private sector properties brought back into use. The revised empty homes grant and loan levels will continue to be one of the tools employed to meet this indicator.
- The Housing Health and Safety Rating Standard (HHSRS) is a risk assessment procedure used to efficiently address the hazards found in residential properties. Some of these hazards include issues such as excess cold, falls on stairs, with the most serious classified as Category 1 hazards. Councils have a duty to take enforcement action where category 1 hazards exist and the work provided under the Housing Renewal policy will address issues of Category 1 hazards and Warm Safe and Dry principles.

### **Community impact statement**

26. The overall impact of offering assistance under the Housing Renewal policy will have a positive affect to improve the quality of life for the different communities that Southwark serves. The assistance provided recognises all people with protected characteristics under the council's approach to equality, with particular targeting at vulnerable households with age and disability characteristics. Much of the policy is targeting either elderly households on low income, disabled or low income families with young children (up to 16 years).
27. The effect of a revised level of assistance offered may have a negative outcome for the community by means of receiving a reduced amount of financial assistance than was previously available. Following consultation, the original proposals have been amended to reduce this impact. In addition, the impact of any change will be addressed through a continued dialogue with affected groups and cross working with other departments and agencies to offer additional support where necessary.
28. It is also proposed to seek further external funding sources. For example, works to deal with the excess cold hazard under the HHSRS can be addressed by taking advantage of the funding streams available from government and utility companies to repair heating systems and provide cavity wall and loft insulation.



## Financial implications

29. The proposed reductions in the levels of assistance provided within the Housing Renewal policy have been made to contain costs within the reduced budget available.
30. The Housing Investment Programme includes resources for Housing Renewal grants. This is funded by the general fund and the budget/spend profile is as follows:

	2012/13	2013/14
Budget	£2.99m	£2.00m
Spend	£2.89m	£1.91m

## Legal implications

31. Legal implications are included in the report in paragraphs 32-37.

## SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

### Director of Legal Services (DG/190313)

32. This report recommends changes to assistance offered under the council's Housing Renewal Policy. As indicated in the report, the council has exercised the power provided to it under the Regulatory Reform (Housing Renewal) Order 2002 (the Order) to put in place a scheme of housing assistance by way of grants and loans; this is set out in the council's agreed Housing Renewal Policy. The report briefly summarises the assistance currently available; with the exception of the Disabled Facilities Grant (which is a mandatory grant under the Housing Grants, Construction and Regeneration Act 1996), the loans and grants provided under the policy are discretionary.
33. Under the Order, assistance offered may be subject to conditions including conditions as to the repayment of the assistance or its value (in whole or in part) or the making of a contribution towards the assisted work. This is subject to the provision that before imposing any such condition or taking steps to enforce it the authority must have regard to the person's ability to afford to make repayment. The council may take any form of security in respect of whole or part of any assistance.
34. The proposed changes to the Housing Renewal Policy fall within the ambit of the powers conferred by the Order. The report sets out the consultation that has taken place with stakeholders and interested parties and the outcome of the consultation. The cabinet member must consider the outcome of consultation along with other relevant information, including the reasons for the proposals in the report when making a decision on the recommendation.
35. The public sector equality duty in section 149 of the Equality Act 2010 requires the council to consider all individuals when carrying out its functions. Specifically, to have due regard to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct; advance equality of opportunity and foster good relations between people with protected characteristics and those

who do not. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The PSED also applies to marriage and civil partnership, but only in relation to the need to eliminate discrimination, harassment, victimisation or other prohibited conduct. The cabinet member is referred to the consideration of responses and the community impact statement in this report that sets out consideration given to the equality duty as it relates to the recommendations.

36. If the proposed changes are agreed, corresponding amendments to the full policy and summary documents that the Order requires be available to the public will need to be made. The requirements in relation to publication and dissemination will also need to be fulfilled. Paragraph 23 of the report confirms that these requirements will be met.
37. Agreement to significant policy issues in relation to their areas of responsibility are reserved to individual cabinet members for decision under paragraph 7, Part 3D of the councils constitution.

**Strategic Director of Finance and Corporate Resources (CAP13/017)**

38. The report is requesting the Cabinet Member for Regeneration and Corporate Strategy to consider the proposed changes to the Housing Renewal Policy. The report provides details of the proposed changes and it is noted that the proposals can be contained with the current capital allocation budgeted within the Council's Capital programme.
39. Officers will monitor the grants issued to ensure they are contained within budget. Staffing and any other costs connected with this recommendation can be contained within existing resources.

**BACKGROUND DOCUMENTS**

Background Papers	Held At	Contact
Health Impact Assessment Questionnaire	Environment and Leisure, 17-19 Bournemouth Road	Sheryl Charles 020 7525 1858
Responses to Consultation	As above	As above

**APPENDICES**

No.	Title
None	

**AUDIT TRAIL**

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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
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Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
<b>Cabinet Member</b>	Yes	Yes
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