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**Meeting of the Cabinet – 21st September 2005**

**Report of the Director of Adult, Community and Housing Services**

**Housing Assistance Scheme**

**Purpose of the Report**

1. To appraise members of the second annual review of the Housing Assistance Scheme in Dudley in line with previous requested annual reports to the Executive.

**Background**

2. The Regulatory Reform Order 2002 gave much broader powers to allow local authorities to provide financial and other assistance for private sector home repair and improvement.
3. The stated intention was to give greater flexibility for local authorities to respond to local private sector housing needs.
4. The Government's concern was twofold. Firstly, that homeowners took greater responsibility from their own resources to maintain their property and secondly, that the limited funds for private sector renewal would go further with a combined loan and grant framework rather than one which relies entirely on grant aid.
5. The main forms of loan envisaged for funding private sector renewal were of the equity release variety whereby access to the capital in the property is used to service the loan. This means there are no loan repayments until the property in ownership changes legally. These loans are specifically designed for vulnerable households who are 'equity rich but cash poor'.
6. Despite this greater reliance on loan finance, the Government continue to envisage an important role for grant aid to complement loans and fund smaller improvement works.
7. The detailed Housing Assistance Scheme can be accessed on <http://www.dudley.gov.uk/housing/strategies--policies/reformprivatehousing>
8. Over the year there have been some amendments to the detail, most notably in broadening the definition of vulnerable households, to cover

everyone on a means tested or disability benefit in line with Government recommendations.

9. In line with previous practice, Dudley sought to protect existing applicants who were waiting for grant aid under the previous system.
10. It was predicted last year that such was the scale of those in the previous system that it would be well into future financial years that there would be financial headroom within the capital budget to deal with a truly loan/grant regime.
11. This has proved to be the case in Dudley as in many authorities and in part explains why a regional scheme called 'Kick Start' was established to receive Government funding channelled through the regional housing board, to promote and fund new loan products.
12. In 2005/7 Dudley's share of this regional allocation was £245k. This amount is complemented by £100k from the wider renovation grant budget. In line with last year, the local authority will maximize the amount going into loans but there is an expectation at the regional level that each authority will contribute an element to further publicize the service and project manage the local Kick Start programme.
13. Across the region, a wide range of promotional vehicles were used and in Dudley around 400 initial contacts were made, around half of which came from the 'bus advertising promotion'.
14. Regionally and locally, there have been relatively high drop out rates and at present locally around 150 potential applicants are presently in the programme.
15. So far, out of the loan allocation for the years 2005/2007, £75k has been approved via the regionally agreed funding agent Aston Reinvestment Trust.
16. Whilst the £75k represents an approval level locally of around a fifth, with the programme currently a quarter of the way through, this compares favourably with three of the regional partners who so far have approved no loan finance.
17. It is anticipated from the pipeline that the approval level will pick up as the Kick Start Programme is subject to a further promotional round of publicity.
18. Running alongside the Kick Start Programme, Dudley as part of its Housing Assistance Scheme, is working with the Home Improvement Trust and their national House Proud initiative.

19. This scheme is targeted towards elderly home owners and offers loan products specifically tailored to meet the needs of people of 60 and clients with a disability.
20. Over the last financial year around 450 people from Dudley contacted the Nottingham based Home Improvement Trust about the scheme but of these a relatively small number have so far been translated into local take up.
21. The promotional literature, product range and nominations process is currently under review to determine why there should be such a fall off.
22. The Housing Assistance Scheme gives the opportunity to carry out a range of smaller grants and this year so far around 40 small repair assistance grants are in progress.
23. Whilst there has been a focus on promoting the Kick Start and House Proud Programme, work has also continued on working through the inspection list of people waiting for grant/loan aid.
24. At present, the current waiting list stands at 255 and at the present rate all properties on this list will be inspected by January 2007. This forecast however, is based on there being no major upsurge in the take up rate of the loan/grant regime
25. With the further promotional round planned and the incorporation of the Housing Assistance Scheme within the Dudley Council Plus 'rollout', then the platform for increased take up has never been stronger.

### **Disabled Facilities Grants**

26. Whilst the major thrust of the Housing Assistance Scheme does not involve Disabled Facilities Grants as they remain a statutory responsibility of local authorities and are mandatory, there are a number of links in relation to the topping up of grant expenditure.
27. For example, if unforeseen works arise on a Disabled Facilities Grant and that pushes the cost above the £25,000 statutory level, then these costs are met through top up grant.
28. As predicted last year, this has helped speed up the process of progressing Disabled Facilities Grants which is now in the second year of a three year programme when the budget has effectively been doubled overall.
29. Some measure of the success is evidenced by the fact that last year it was predicted that by April 2005 the technical inspection to approval stage for Disabled Facilities Grants would be in the order of 16 months, is now down to an average of 10 months.

## **Finance**

30. The estimated outstanding commitment for grants already approved and for applications awaiting approval is £1.055m. This will require budgeted resources for the whole of 2005/2006 and into 2006/2007. The approved capital budget for the Housing Assistance Scheme in 2005/2006 is £839,000.

## **Law**

31. The proposals are in line with the Regulatory Reform (Housing Assistance)(England and Wales) Order 2002.

## **Equality Impact**

32. The Housing Assistance Scheme was introduced to reduce the inequities in housing conditions in the private sector and to tackle social exclusion by targeting assistance towards vulnerable groups.

## **Recommendations**

33. It is recommended that this report is accepted.
34. It is recommended that as the Housing Assistance Scheme is fully operational, that further monitoring reports on its activity are submitted to the appropriate Select Committee.



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**Director of Adult, Community and Housing Services**

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## **List of Background Papers**

- Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

- Annual Review of the Housing Assistance Scheme report to the Meeting of The Executive on 8 September 2004.