

# **Private Sector Housing Renewal Policy Review 2004**

## **1. Proposed changes**

### **1.1. Home Improvement Agency**

We hope to set up a Home Improvement Agency (HIA) in November 2004. Although the HIA will not change the priorities of the policy it will ensure better delivery of the grants and other forms of assistance. Delivery will be on a demand led basis, but staff will also actively seek out residents who may be eligible for help.

The HIA should offer a complete service for customers undertaking grant works. It will also ensure that clients are aware of the other housing and finance options available to them. In addition the HIA will offer a home improvement service to customers who are not eligible for grant aid but want help and support throughout the progress of the works.

The HIA should also be able to offer a comprehensive service to landlords applying for grant aid, especially for empty properties. Often landlords have felt unable to proceed because they were not in a position to appoint builders and supervise works.

A function of the HIA will be promotion, and this publicity should increase demand for assistance and grants.

### **1.2. South West Partnership**

In December 2003 the Government invited sub-regional partnerships to make bids for funding for private sector renewal schemes in 2004/5 and 2005/6. Richmond is part of the South West Partnership with Lambeth, Croydon, Wandsworth, Sutton, Merton and Kingston. The bids that we submitted were accepted and will be funded in full by central Government.

The schemes that were agreed are set out below and will compliment our existing work, but increase our capacity.

- a. Additional grants to bring empty properties back into use and to house vulnerable households.
- b. A extension of the energy efficiency grant scheme through the Coldbuster programme.

The funding for the schemes (£2m) will be divided between the seven Authorities proportional to population and need indices. The LBRuT will receive 11% of the funding under the agreed formula.

The schemes will enhance our policy by offering additional funding to particular grant programmes. Enhanced publicity should also encourage take up as will the replication of the scheme throughout the seven local boroughs.

### **1.3. Home Repair Assistance Grants**

#### **1.3.1. Maximum grant**

In general this grant works well and offers low level, but crucial help to residents. However the limit of £4000 was set some years ago and it is no longer appropriate as a maximum amount. The cost of works has increased and many necessary works cannot be undertaken due to the limited grant aid. Recipients are on very low incomes and cannot fund the additional cost of the works. Properties will therefore fall into further disrepair and affect the health and welfare of the residents.

A lot of the works under this grant have been carried out without supervision and therefore without fees. Customers have struggled to find contractors and obtain estimates. With the new HIA, many customers will opt for the support service from the HIA but this will add fees to the cost of the works.

We therefore recommended that the grant is increased from £4000 to £5000 in any five year period.

#### **1.3.2. Coldbusters**

Coldbuster grants have been available to customers who do not have central heating, or where their system is broken and beyond economical repair. It has not been open to residents who have a central heating system over 15 years old. The additional South West Partnership funding allows for grant aid in these circumstances because:

- systems over 15 years old are not energy efficient, and
- are likely to break down, and
- are likely to contain obsolete parts, and
- are uneconomical.

It is therefore recommended that our policy includes grants for replacement of central heating boilers over 15 years old and associated works.

### **1.4. Landlord Grants**

Currently a condition of landlord grants is that we must receive a full application within six weeks of a notice of intention being served on the landlord. Few landlords have been able to meet this condition even when they appoint a professional agent to act on their behalf.

A full application requires completion of an application form with certain proofs and two builders estimates for the works. The building industry is operating at full capacity currently and many landlords have been unable to provide estimates in the six week time scale.

It is therefore recommended that this period of time is extended to nine weeks. This should encourage landlords to apply for grant aid.

## **2. Capital Budget implications of the proposed changes**

Only one of the proposals will require additional capital funding. The higher level of HRAGs (£5000) will increase expenditure in this area. However the South West Partnership funding adds £210,000 to the Capital budget, which will allow us divert funds from specific areas to cover this extra cost. We are confident that if the recommendations are agreed, there will be no effect on the overall capital budget.