

CHESHIRE EAST COUNCIL

CABINET

Date of the meeting: 6th January 2009

Report of: Places

Title: The development of an Interim Cheshire East Private Sector Assistance Policy

1.0 Purpose of Report

- 1.1 The purpose of this report is to seek approval to send the draft Interim Cheshire East Private Sector Assistance Policy out for public consultation and to approve the policy in principal, subject to no significant changes following consultation.

2.0 Decision Required

- 2.1 To give permission to progress the Interim Cheshire East Private Sector Assistance Policy to public consultation and approve the policy in principal, subject to no significant changes following consultation.

3.0 Financial Implications for Transition Costs

- 3.1 There are no financial implications for transition costs

4.0 Financial Implications 2009/10 and beyond

- 4.1 No assumption on available resources has been made, but in order to maintain current levels of activity and to develop the loans across the new authority, existing levels of funding should be retained. This information will be linked to the capital programme.
- 4.2 The financial implications for retaining the current level of investment are as follows:

Disabled Facilities Grants (Mandatory)

Current level of investment	Specified Capital Grant 2009/10	Required capital investment from Cheshire East
£1,070,000	£478,000 (CBC £162k, CNBC £150k, MBC £166k)	£592,000

Private Sector Initiatives

Current level of investment	Estimated level of Regional Housing Pot Allocation (65% of 2007/08 allocation)	Required capital investment from Cheshire East if Regional Housing Pot Allocation is ring fenced.	Required capital investment from Cheshire East if the Regional Housing Pot Allocation is not ring fenced
£1,170,250	£1,090,050	£80,200	£1,170,250

- 4.3 If existing resources are retained at the same level, this will equate to incurred expenditure of £592,000 for Disabled Facilities Grants and £80,200 for Private Sector Initiatives, if the Regional Housing Pot Allocation is ring fenced and there are no further reductions in Regional funding (decision expected January/February 2009). If Regional Housing Pot allocations are not ring fenced then £1,170,250 will be required.

5.0 Legal Implications

- 5.1 Under the Housing Grants, Construction and Regeneration Act 1996 local authorities have a statutory duty to administer Disabled Facilities Grants.
- 5.2 The Housing Act 2004 states that a local authority has a duty to keep under review housing conditions within their local authority area.
- 5.3 Whilst the Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 removed most of the prescriptive housing renewal grant legislation in the Housing Grants, Construction and Regeneration Act 1996, it states that a local authority should not have a blanket no assistance policy.

6.0 Risk Assessment

- 6.1 There are currently inconsistencies in the policies, which are in operation across the 3 District authorities, and if residents are not to be disadvantaged in any way then a new Cheshire East policy needs to be in place by 1st April 2009.
- 6.2 The Government have stated that by 2010 70% of all vulnerable households should be living in decent homes and this increases to 75% by 2020. Whilst an ambitious target, without private sector assistance this target will not be achieved within Cheshire East.
- 6.3 There is a risk of market failure in isolated parts of Cheshire East if properties are not maintained to a decent standard.
- 6.4 Empty properties are a wasted commodity and can attract anti-social behaviour. The policy gives officers the ability to work with owners of

empty properties to bring them back into use, this cannot be achieved without a policy in place.

- 6.5 The Home Energy Conservation Act states that Local authorities should reduce CO2 emissions by 30% by 2010. In order to achieve this target we need to promote and offer incentives to encourage homeowners to improve the energy efficiency of their properties.

7.0 Background and Options

- 7.1 The Interim Private Sector Assistance Policy sets out the forms of assistance that will be available from Cheshire East Council to assist vulnerable homeowners, owners of private rented property and disabled people to improve or adapt their properties. (Appendix 1)
- 7.2 The policy suggests that Cheshire East shares the Government's view that the prime responsibility for maintaining and improving housing rests with the owner, but acknowledging that there are vulnerable homeowners who cannot afford to repair or adapt their home and who may not be able to obtain loans from commercial lenders, and that there are properties where significant investment is needed which may be beyond the economic resources of the owner.
- 7.3 The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 removed most of the prescriptive housing renewal grant legislation in the Housing Grants, Construction and Regeneration Act 1996, and introduced new wide ranging discretionary power to local housing authorities to develop different forms of financial assistance to meet local needs.
- 7.4 To be able to give financial assistance with housing renewal, the local housing authority must adopt and publish a policy setting out how it intends to use this general power to give assistance. As the new Cheshire East Council takes effect on 1st April 2009, a new consistent policy across the administrative area is necessary to be able to continue to give assistance to improve housing standards.
- 7.5 The framework for assistance is based on a 'safety net' concept: offering assistance to residents on an interest-bearing repayable basis in the first instance, and recognising there are circumstances where people will not be able to afford this repayable assistance, so moving people to the next level where the assistance is repayable but without interest. The third tier of assistance is non-repayable but without interest. The third tier of assistance is non-repayable, which is reserved for the most vulnerable and at risk, disabled people, and for low levels of assistance including energy efficiency.

7.6 In developing the interest-bearing repayable assistance, attention has been paid to ensuring that within the initiative there is a safety net – the amount for repayment is based on the lower of two calculations – ensuring that in times of high increases of property values the assistance remains attractive and does not deter vulnerable people from bringing their home up to a decent standard, and ensures that applicants do not repay a disproportionately excessive amount.

7.7 By offering repayable assistance, property owners will take financial responsibility for the maintenance of their properties, in line with Government's view, while receiving assistance at the time they need it most. Once repaid, the financial resources can be recycled by the Council and used to assist further vulnerable people in Cheshire East. Integral to the Policy is the objective to improve the housing stock and reduce the number of non-decent homes occupied by vulnerable people.

8.0 Overview of Day One, Year One and Term One Issues

8.1 In order to be able to administer a consistent approach to private sector improvement across Cheshire East a new policy needs to be in place from Day one.

9.0 Reasons for Recommendation

9.1 In order to meet the timescales for the production of a new Cheshire East private sector assistance policy, approval needs to be given to progress the policy to public consultation and to give approval in principle.

For further information:

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Background Documents: Summary of Assistance (Appendix 1.)

Draft Interim Cheshire East private sector assistance policy.