

**REPORT TO: HOUSING, DUNDEE CONTRACT SERVICES AND ENVIRONMENT SERVICES COMMITTEE – 1 JULY 2009**

**REPORT ON: IMPLEMENTATION OF THE HOUSING (SCOTLAND) ACT 2006 - PROPOSED TRANSITIONAL ARRANGEMENTS**

**REPORT BY: DIRECTOR OF HOUSING**

**REPORT NO: 302-2009**

## **1. PURPOSE OF REPORT**

- 1.1. To seek Committee's agreement to the implementation of transitional arrangements, effectively an interim section 72 Statement, in respect of the provision of grant assistance pending the production of a Statement of Assistance which the Council is required to produce to meet its obligations under Section 72 of the Housing (Scotland) Act 2006.

## **2. RECOMMENDATIONS**

- 2.1. It is recommended that the Committee:

- a. Notes the duty to provide mandatory grant assistance to disabled adaptations at a minimum rate of 80% and at a rate of 100% where the applicant is in receipt of certain benefits.
- b. Agrees to the provision of current levels of grant assistance determined by a Test of Resources in respect of properties subject to a Statutory Repairs Notice where Formal Notice of Approval is granted prior to the 1 April 2010.
- c. Agrees, with immediate effect, to restrict discretionary grant assistance to a fixed rate of 40%, to the following categories of work where no Formal Notice of Approval has been issued:
  - Below Tolerable Standard (BTS) properties
  - Mutual repairs
  - Serious disrepair
  - Security

Where additional work is identified this work may become a condition of any grant awarded but may not itself attract additional grant assistance.

- d. Agrees to an allocation of £66,000 in support of Dundee Care & Repair to maintain the existing level of service.

## **3. FINANCIAL IMPLICATIONS**

- 3.1. The cost of delivering the recommendations above will be met from the 2009/10 and 2010/11 Private Sector Housing Grant budgets.

## 4. MAIN TEXT

### 4.1. The Housing (Scotland) Act 2006

4.1.1. The Housing (Scotland) Act 2006 introduces fundamental changes to the repair and maintenance of private sector property. It recognises that the primary responsibility for repair and maintenance of private sector property lies with the individual owners. It translates the recommendations of the Housing Improvement Task Force into local authority powers and duties which are designed to encourage and assist owners to carry out repairs and maintenance to their property. It moves away from the current approach of direct financial assistance, in the form of grants and looks to encourage owners to use their own resources. The relevant powers in the 2006 Act commenced on the 1 April 2009 and the repeal of the powers in the 1987 Act comes into force on the 31 March 2010. The two sets of powers will run in parallel enabling the transition from one set of powers to the other.

#### 4.1.2. Section 72 Statement

To underpin the new Scheme of Assistance, Local Authorities are required to produce a public statement describing the circumstances in which they will provide assistance and what form that assistance will take - i.e. advice, information, practical assistance or financial assistance in the form of standard loans, subsidised loans or grants. Publication of the section 72 statement is the point at which the local authority should fully implement all of the new powers. The latest date to achieve this is 1 April 2010.

## 4.2 Private Sector Housing Grant

4.2.1 Private Sector Housing Grant (PSHG) is the main source of finance for the provision of financial assistance to home owners. At present It takes the form of a ring-fenced grant to the Council from the Scottish Government. The allocation for 2009/10 amounts to £2.171m. From 2010/11 ring-fencing will be removed and it will be for the Council to set the budget although a reducing Government allocation of PSHG will continue to be identified within the General Services allocation. Under the existing scheme grant assistance is offered to a range of categories of work with the level of assistance determined by a National Test of Resource. A combination of a reducing PSHG allocation and the requirement to fully implement the new Scheme of Assistance by 1 April 2010 together with the duty to provide increased mandatory grant assistance towards an increasing number of disabled adaptations necessitates the implementation of transitional arrangements. This will ensure the effective management of the 2009/10 and 2010/11 PSHG budgets as well as ensuring that the move away from direct grants to a Scheme of Assistance is as seamless as possible.

	Grant Categories	
	Existing	Proposed
Statutory Notice	√	√
Ex-Council/Mutuals	√	√
Serious Disrepair	√	√
Disabled	√	√
Lead Plumbing	√	√
Discretionary Improvement & Repair Grants	√	Only if BTS
Care & Repair	√	√
Rewiring	√	√
Security	√	√
Roofs	√	Only if BTS

### 4.3 **Disabled Adaptation Grants**

- 4.3.1 The Housing (Scotland) Act 2006 imposed a duty on the Council, effective from the 1 April 2009, to provide mandatory grant assistance towards disabled adaptations based on a minimum percentage grant of 80% and at a rate of 100% where the applicant is in receipt of certain benefits. Furthermore the previous maximum approved expense limit of £20,000 to which these percentages applied has been removed and there is now no limit on the approved cost of works. Additionally work to assist a disabled person is not restricted to a physically disabled person and assistance must be considered where a physical change to the house will meet the needs of a disabled person.
- 4.3.2 An increasing demand for adaptations for disabled people coupled to the mandatory levels of grant assistance indicated above will have to be met from a reducing PSHG allocation.

### 4.4 **Existing Repair Notices**

- 4.4.1 A number of Statutory Repair Notices on tenemental property in disrepair remain extant. Those tenemental properties which have been served with Repair Notices are considered to be amongst the poorest in the city and inevitably due to the mutual nature of the work, the cost of repair is extremely high. A Repair Notice brings an entitlement to a mandatory grant. Where formal notice of approval is obtained prior to the 1 April 2010 these properties will be paid grant based on the existing scheme.

### 4.5 **Care & Repair**

- 4.5.1 Care & Repair targets the elderly, disabled or chronically ill who are on low income and provides advice, practical help and financial assistance to enable them to remain independently in their own homes. Financial assistance, for qualifying applicants, takes the form of a Small Repairs Award amounting to a maximum of £375 plus VAT. Dundee Care & Repair deals with an average of 760 enquiries per year, with approximately 38% obtaining financial assistance. An increasing ageing population would suggest an increasing demand. The Scottish Government have commissioned a review of Care & Repair to consider its future role within the policy framework set by the 2006 Housing Act and a report is due. Although this may recommend some changes to the delivery of the scheme, it is anticipated that there will remain a strong and possibly increasing demand for this important service.

## 5. **POLICY IMPLICATIONS**

- 5.1. This report has been screened for any policy implications in respect of Sustainability, Strategic Environmental Assessment, Anti-Poverty, Equality Impact Assessment and Risk Management. There are no major issues at this time.

## 6. **CONSULTATION**

The Chief Executive, Depute Chief Executive (Support Services), Depute Chief Executive (Finance), Assistant Chief Executive, Head of Finance, Head of Environmental Health & Trading Standards, Director of Planning & Transportation, Director of Social Work, Director of Economic Development, all other Chief Officers and the Scottish Government have been consulted in the preparation of this report. No major concerns have been raised.

7. **BACKGROUND PAPERS**

7.1. The Housing (Scotland) Act 2006.

The Housing (Scotland) Act 2006 (Scheme of Assistance) Regulations 2008.

Scottish Government Statutory Guidance.

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