

The proposals in detail

9.1 The proposals involve the repeal of provisions relating to the following:

- renovation grants;
- common parts grants;
- HMO grants;
- the discretionary elements of disabled facilities grant (i.e. the power to pay grant for non-essential adaptations and the power to pay grant above the threshold for the mandatory grant);
- group repair;
- home repair assistance;
- relocation grants; and
- the power to assist in carrying out works in renewal areas.

and their replacement with a new, general power to give financial assistance for home repair, improvement and adaptation. Apart from two new provisions described in paragraph 9.9 below, the new general power would not be restricted in any way.

9.2 The new power would enable authorities to help people in all tenures, including landlords, owner-occupiers and tenants. Help would be available both to individuals (including groups of individuals, as in group repair schemes) and to bodies (such as landlord companies).

9.3 Authorities would be able to give assistance in the following ways:

- a grant;
- a loan;
- a loan guarantee or indemnity;
- by providing materials or labour (authorities already have the power to provide advice and other services under s169 of the 1989 Act);
- by incurring expenditure in other ways (such as paying a contractor to carry out work).

or any combination of these.

- 9.4 Authorities would be able either to provide assistance themselves or through another agency, such as a registered social landlord, charity or home improvement agency. In addition, they would be able to provide financial help, either direct to the borrower or lender or via an agency, to enable people obtain a loan provided by another body, such as a commercial lender, at an affordable rate.
- 9.5 To ensure that the assistance they give is targeted effectively, authorities would have the power to carry out means testing and to charge for any labour or materials they provide, should they wish to do so. They would also be able to set the conditions under which any financial assistance should be repaid and the period over which those conditions should apply. Where they chose to give a loan or to attach conditions to a grant or loan, authorities would also have the power to waive any requirement to repay it or to reduce the amount they require to be repaid.
- 9.6 In place of the limited powers currently available through relocation grants, we propose to allow authorities to use their new power to help people to buy another property in two broadly defined sets of circumstances. The first is in cases where the authority and owner agree that moving house makes more sense than improving or adapting someone's existing home, or where they wish to offer the applicant a choice. The second is where they make a compulsory or voluntary purchase of someone's home, for example as part of a renewal or clearance strategy. (In the latter case, assistance given under the proposed power would be on top of any other compensation they are required to pay.) The power would not affect any existing entitlement, for example to a disabled facilities grant or to compensation available under the compulsory purchase rules. The 1985 Act would continue to apply to loans made for other purposes, for example to first-time buyers, and to loans made by local authorities without housing responsibilities.
- 9.7 As mentioned above, the entitlement to a disabled facilities grant would remain largely unchanged. There is one exception, outlined in the paragraph below, relating to owners of park homes. All disabled people who currently qualify for the mandatory grant would continue to do so. However, the reforms would enable authorities to help disabled people in three new ways. First, they would be able to offer disabled people a choice between the mandatory grant and other options, such as a loan that does not involve a means test. Second, they would be able to offer disabled people whose homes cannot be adapted, and who would not qualify for a disabled facilities grant, help towards buying a more suitable property. Third, they would be able offer a grant or preferential loan to top up the mandatory grant, to help applicants who are having difficulty in meeting the cost of their contribution.
- 9.8 The change proposed for owners of park homes would make them eligible for all the grants payable under Chapter I of Part I of the 1996 Act, including disabled facilities grants. At present park homes are not considered to be "dwellings" and many park home owners would be unable to meet the requirement (which currently applies to all grants except home repair assistance) that they must also own the land on which the home is sited. The new power would be framed to address these problems. The changes would put them on the same footing as other homeowners and tenants, and would thus remove a number of inconsistencies within the existing rules.

9.9 The new power would be subject to two new requirements:

- i. Authorities would be required to have regard to guidance. This will set out certain overarching principles such as the need to:
 - be fair;
 - give priority to the most vulnerable households, in particular to disabled and older households;
 - ensure that applicants for loans are properly advised; and
 - take realistic account of people's ability to contribute, including to equity release loans.

The guidance will also highlight the need to obtain best value from the resources available, and to provide advice on tackling fraud. It will also reflect the conclusions that emerge from the work of the Performance and Innovation Unit (PIU) on modernising Government loans⁹.

- ii. Authorities would also be required to give assistance under their new power in accordance with a published policy (on which they would be expected to consult service users under their Best Value responsibilities). We would advise in guidance what matters they need to cover in their policy, such as:
 - how their policy links in with their wider housing strategy, linking to health and social care strategies for vulnerable groups and also to wider planning and regeneration strategies;
 - how much assistance is available, and in what form;
 - who is eligible for assistance, and in what circumstances;
 - the form and process for applying for assistance;
 - the circumstances in which a grant or loan must be repaid; and
 - the advice, including financial advice, that is available to help people to access grants and loans.

9.10 The new general power would remove the need for a number of the powers available specifically within renewal areas, such as the power to provide assistance through grants and loans. However, renewal areas also contain powers of compulsion (see paragraph 5.12 above), and contain a number of safeguards to ensure that they are used properly for the benefit of local residents. For that reason, we intend to keep the renewal area provisions separate from the general power and to retain the following safeguards:

- the requirement to carry out a social and economic assessment before declaring a renewal area;

⁹ The PIU project was established by the Prime Minister 12 December 2000.

- the requirement to consult local residents before declaring a renewal area and to publicise its declaration; and
- the requirement to keep local residents informed during the renewal area process and to notify them of any change to the original declaration.

We propose to set out the broad principles of these in primary legislation, and to provide advice on matters of detail, such as the content of the renewal area assessment, through guidance.

9.11 We propose to remove the following restrictions:

- the exclusion from renewal areas of housing action trusts and of areas not adjoining one another;
- the requirement for a renewal area to last ten years;
- the requirement for an area to meet specified conditions to qualify for renewal area status; and
- the requirement to send the Secretary of State or Assembly a copy of the resolution and information about the renewal area, and to notify him of any decision to change the original declaration or wind up a renewal area.