

aiac

**Association of Independent Advice
Centres (NI)**

Social Policy Briefing

Autumn 2003

Targeting Grant Aid in Private Sector Housing: A Strategic Approach for Northern Ireland

Introduction

In June 2003, the Northern Ireland Housing Executive (the Housing Executive) published a consultation document on targeting grant aid for private sector housing¹. The document contained the Housing Executive's proposals for a grants scheme arising from the provisions of the Housing (NI) Order 2003².

Background

The current Grants Scheme derives from Part III of the Housing (NI) Order 1992³. The grants available under this scheme are primarily mandatory in nature as follows:

- **Renovation Grants** - Available for all unfit properties in both the owner occupied and privately rented sectors.
- **Replacement Grants** - Available for all unfit properties which are classed as isolated rural properties where a Replacement grant is deemed the most suitable solution.
- **Houses in Multiple Occupation Grants (HMO)** - Available to landlords to bring HMO properties up to HMO and fitness standards and to convert other properties to HMOs.
- **Disabled Facilities Grants (DFG)** - Available to make the home of a person with a disability suitable for their needs based on the recommendations of an Occupational Therapist.
- **Minor Works Assistance Grants** - Available for properties in disrepair to assist in small but essential works (This grant will be replaced by the new Home Repair Assistance grant under the terms of the new Housing Order).
- **Repairs Grants** - Available to landlords and owner-occupiers to assist with the cost of repairs following the service of Certificates of Disrepair or Public Health Notices.
- **Group Repair** - Available to landlords and owner-occupiers to improve the external fabric of terraced properties where an area based approach to improvement has been agreed.

¹ Available to view at http://www.nihe.gov.uk/publications/consultation_documents/grantsstrategy03.pdf

² For further information, please visit <http://www.hmsso.gov.uk/si/si2003/20030412.htm>

³ For further information, please visit http://www.hmsso.gov.uk/si/si1992/Uksi_19921725_en_1.htm#tcon

Quoting from the consultation document ‘Targeting Grant Aid in Private Sector Housing: A Strategic Approach for Northern Ireland’:

“The current scheme, which is principally mandatory in nature, is derived from the Housing (NI) Order 1992. Under this scheme, the Housing Executive not only has a statutory duty to address problems of unfit housing in the private sector, but this duty extends to the provision of grant aid where renovation or replacement is both feasible and consistent with policy.

However, under the provisions of the Housing (NI) Order 2003, the Grants Scheme will, for the most part, change to be discretionary in nature. So, whilst the Housing Executive will still have a statutory duty of addressing unfit housing, this duty will no longer extend to the provision of grant-aid.

Any grant aid that is provided will be on a discretionary basis. In these circumstances, therefore, it will be necessary for the Housing Executive to adopt a more strategic approach to the disbursement of grant aid that was required under the provisions of the mandatory grant regime, a requirement that was recognised in the recent Social Development Committee Inquiry into Housing in Northern Ireland⁴. How the Housing Executive intends to develop this more strategic approach is the focus of this consultation paper.”

Impact of Proposals

The key changes in respect of each type of grant are as follows:

- **Renovation Grants:** This grant will no longer be mandatory and will be at the discretion of the Housing Executive. The proposed changes will permit grant aid for installation of central heating and insulation for the first time; change significantly the assessment of a landlord’s contribution and extend the availability of Renovation Grant aid to fit properties in specific areas;
- **Replacement Grants:** This grant will no longer be mandatory and will be at the discretion of the Housing Executive. The intention behind the proposed changes is to make Replacement grants more widely available and reduce the need for Closing Orders in rural locations;
- **HMO Grants:** This grant will no longer be mandatory and will be at the discretion of the Housing Executive. The proposed changes will reduce the availability of grant aid in this sector of the housing market; aid will become more targeted towards the larger properties and the proposals support the Mandatory HMO Registration Scheme;
- **Disabled Facilities Grant:** This grant will continue to be available on the recommendation from an Occupational Therapist. It will continue to be mandatory;

⁴ Reports of the Social Development Committee can be viewed at <http://www.ni-assembly.gov.uk/social/socialreport.htm>

- **Home Repair Assistance Grant:** This grant replaces the Minor Works Assistance Grant and is available to applicants on certain means tested benefits. At the discretion of the Housing Executive, applicants over 60 or with a disability will not be required to be in receipt of the specified means tested benefits. The scheme will also support the Group Repair Scheme;
- **Repairs Grant:** This grant will only be available to landlords and certain tenants, but will continue to be triggered on the foot of a Certificate of Disrepair or a Public Health Notice issued by a District or City Council. It remains mandatory in nature.

Grant Levels

Renovation Grant:	the ceiling will remain at £25,000;
Replacement Grant:	the ceiling will remain at £31,500;
HMO Grant:	the ceiling will remain at £30,000;
Disabled Facilities Grant:	maximum grant limit of £25,000, from £20,000;
Home Repairs Assistance Grant:	maximum grant limit of £5,000, from £3,240, over a 3 year period.
Repairs Grant:	maximum grant limit of £7,500 over a 3 year period;

AIAC comments in relation to the proposals

(1) The Budget for Grant Aid

We believe that as yet there is no information available as to the amount of funding which will be available for the grants scheme (and therefore available to applicants seeking to carry out grant aided work). This is of concern for two reasons:

- (a) There would be a concern that the new proposals could lead to a capping or reduction of the overall grant budget, leading to less monies in real terms being available for grant aided work;
- (b) With a greater proportion of the grants becoming discretionary, there is a concern (linked to point (a)) that worthy applications may have to be refused or reduced based on budgetary constraints.

We have no doubt that all stakeholders will be keeping a watchful eye on this issue, which will underpin the success of the new proposals.

(2) Allowances

We believe that there should be (i) a review of the amounts available for grant aided work and (ii) that these figures be updated and upgraded systematically on a regular (6 or 9 month basis).

To quote one example based on replacing windows in a house. Should the applicant choose to install double glazing, current allowances meet the cost of wooden frames and do not cover uPVC frames.

To quote a second example, builders are stating that post 9/11, insurance premiums have increased considerably. However Housing Executive allowances do not appear to have kept pace with this situation.

(3) Targeting

If there is to be a greater focus on targeting and therefore a greater focus on means testing, we believe that there should be careful consideration given as to the way in which this means testing is to be carried out. There should be an assessment of who would be excluded from such a targeting process.

While obviously applicants in receipt of benefits such as Income Support should receive maximum grants, we believe that people who are in employment but not on particularly high wages should also be able to benefit from the scheme. Often considerable sums may be involved in carrying out repairs and those in employment on low earnings would simply not have the necessary resources to carry out this work.

In addition, strategies such as Neighbourhood Renewal might have a focus on regenerating a whole neighbourhood, but the grant targeting process might actually counteract this strategy by not allowing everyone in that neighbourhood to get involved in the regeneration process.

(4) Clarity of information on the grant award

When a full grant is awarded for a piece of work, applicants often think that the grant will cover the cost of the work to be done, only to find out at the end of the process that there are additional monies to pay.

In addition to reviewing the grant aid, we feel that this is an ideal opportunity to review all the steps within the grant aid process: from the initial application - to the builder receiving their final payment when the work is completed and inspected.

The literature which is sent to applicants is very important, but perhaps more important is the role of the grants officer who visits the applicant. They could have a 'scripted' set of issues which they could discuss with the applicant including:

- The possible difference between grant aid and actual cost of work;
- Responsibilities where the applicant is not happy with the standard of the work;
- Timescales;

(5) House Standards

It has been shown that there is a problem regarding the state of repair of many houses, based on current assessment systems (at one meeting it was quoted that 59% of the total housing stock is in disrepair). With a possible move to adopting the Decent Homes Standard for the private sector (which is said to be of a much higher standard than the current NI Fitness Standard) then one would imagine that more homes would be classified as being in disrepair and potentially eligible for grant aid.

We would support calls for the introduction of the Decent Homes Standard to private sector housing.

In any case, whether using the current fitness standard or the Decent Homes Standard, there should be sufficient monies available to ensure that applicants entitled to receive grant aid, are not refused or receive reduced amounts based on budgetary constraints.

(6) Appeals Process

A robust, independent appeals process would add value to the grant aid process and may very well highlight the need for changes which would lead to improvements.

(7) The independent advice sector

AIAC members deal with housing issues on a daily basis, and indeed approximately 10% of the workload of generalist centres revolves around housing issues. We also have two specialist centres which deal mainly with housing issues. We would therefore be very keen to be kept involved in this process, as regards monitoring and evaluating the impact of the proposals.

Points in favour of move towards discretion

The move towards a discretionary grants regime means that the Housing Executive can take a more proactive part in the private sector housing market, as opposed to the mainly reactive approach that underpins the current scheme.

The situation as regards the measurement of housing standards is currently under review. There is an intention to replace the current Fitness Standard with a new Housing Health and Safety Rating System. There is also an intention to introduce a new Decent Homes Standard to ensure that “social housing is of a decent standard within 10 years”. The benefit of a discretionary grants regime is that these changes can be more readily accommodated within a scheme that is discretionary in nature.

The Social Development Committee of the Northern Ireland Assembly held an enquiry into housing in Northern Ireland and the Committee concluded that a move to a discretionary grants regime in Northern Ireland should facilitate finer targeting of grant aid and it would offer more options in helping those in poor housing conditions.

The discretionary approach allows the grants regime to take account of important strategic developments including the Programme for Government, People and Place: Neighbourhood Renewal Strategy and the Regional Development Strategy.

AIAC would welcome feedback in relation to the impact of the proposals, which have a planned implementation date of 1st December 2003.

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AIAC Mission Statement

AIAC is a voluntary organisation for the independent advice sector in Northern Ireland, representing and giving voice to its members aspirations to deliver effective and holistic, community or issue-based advice through the provision of services, support and development opportunities.

Values

As a membership organisation, our values are embedded in promoting the application of creative community development approaches to advice giving, which place people and communities at the centre of the process and involves them in finding solutions and making informed choices.

AIAC believes in

Quality advice which is delivered free.

Advice services which are impartial and non-judgemental and respect the individuals dignity.

Advice which is wholly confidential, and accountable to the public.

Independent advice, which is free from statutory or private control and is both non-party political and non-sectarian in nature.

Advice services which are aimed specifically towards overcoming social exclusion.

Offering people choice through the provision of flexible, accessible advice services.

Social Policy Briefing

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