
To: Communities & Housing Policy Board

On: 7 March 2023

Report by: Director of Communities and Housing Services

Heading: Private Sector Housing Grant – proposed change to Scheme of Assistance in Housing Regeneration Areas

1. Summary

- 1.1 The Council's housing-led regeneration and renewal programme will bring forward up to £100m additional investment over the next ten years to deliver high quality energy-efficient homes and environmental improvements. The eight areas within the programme contain 1,648 properties of which (at the outset) 1,147 were in Council ownership and 501 privately owned. Working positively with owners and providing a menu of options to allow them to participate in improvements or to sell their properties to the Council is crucial to full delivery of this programme.
- 1.2 This paper sets out a proposal to amend the existing levels of financial assistance available through Private Sector Housing Grant for participating owners who live in properties that are included in the approved Housing Regeneration Areas to provide an enhanced rate of assistance for resident owners.
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2. Recommendations

- 2.1 It is recommended that the Policy Board:
- i. agree that the Council's Scheme of Assistance be altered ***only in respect of Housing Regeneration Areas included in the Housing-Led Regeneration Programme*** to increase the level of Private Sector Housing Grant for eligible properties in mixed tenure blocks from 25% to non-resident owners, 35% to resident owners and 50% to resident owners on benefits, to an enhanced level in which it pays 25% to non-resident owners (as before), 50% to resident owners and 75% to resident owners on benefits.
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3. Background

- 3.1 The Council's housing-led regeneration and renewal programme will bring forward up to £100m additional investment over the next ten years to deliver high quality energy-efficient homes and environmental improvements.
- 3.2 The eight areas within the programme contain 1,648 properties of which (at the outset) 1,147 were in Council ownership and 501 privately owned, so working positively with owners and providing a menu of options to allow them to participate in improvements or sell their properties to the Council is crucial to full delivery of this programme.
- 3.3 Of the 501 privately-owned properties, 89 are in blocks recommended for demolition and the council is currently acquiring those so that demolition can take place – by 16 February 2023 fifteen had been acquired.
- 3.4 Of the remaining 412 privately-owned properties, the majority are in mixed-tenure blocks in which the Council hopes to carry out improvement works but around 90 properties are in blocks with no Council ownership.
- 3.5 In the mixed-tenure blocks, as an alternative to participating in improvement programmes, owners will be offered the opportunity to sell to the Council at the market value of their properties. The cost of acquiring these properties will be met from the Housing Revenue Account and at present Scottish Government grant funding is available through the Affordable Housing Programme at £30,000 per house for a limited number of these (50 in the next five years between the Council and the local housing associations).
- 3.6 In these circumstances owners can:
 - Sell, with occupiers making their own arrangements for alternative housing – housing options advice will be provided;
 - Sell to the Council in exchange for another Council property of a similar value in a different location (excambion); or
 - Sell, remain in the property and become a tenant of Renfrewshire Council (available to resident owners only).
- 3.7 Where owners in mixed-tenure blocks do not sell to the Council, they will be provided with estimated costs for the improvement work and the options available to pay for it. Information will be provided on the different elements of work and the benefits they will bring. As most of the work required will be an improvement, the agreement of all owners within each block will be needed before it can proceed. There may be some work that could be undertaken through a “scheme decision” provided for by the Tenements (Scotland) 2004 Act whereby each property has one vote and works can proceed if there is a majority vote in favour. We will notify owners and clearly explain the voting process.
- 3.8 Due to the comprehensive nature of the whole house retrofit approach, base costs for owners will be relatively high in comparison with previous mixed tenure investment programmes. The Council will try to reduce this cost as much as possible, without compromising the specification.

- 3.9 Any additional funding that can be accessed to bring down the costs for owners will be sought. The main Scottish Government programme currently is the Home Energy Efficiency Programme for Scotland Area Based Schemes (HEEP:ABS). The programme is targeted at private sector homeowners to assist their participation and ensure projects to improve energy efficiency can proceed. Local authorities act as coordinating agents for all HEEPS:ABS programmes for their area. Renfrewshire Council has a successful track record in utilising this funding, leveraging in £17million since the programme's introduction in 2013/14. This has enabled a range of external wall insulation projects to be carried out in multi tenure blocks to support the Council's Housing Revenue Account investment programme, as well as external wall insulation programmes by local housing associations. At present the funding in Renfrewshire is for schemes covering properties of a solid wall construction type. Under this criterion the only areas which would currently benefit in the regeneration and renewal programme are the Howard Street and Auchentorlie areas. However, officers are working to seek any further opportunities that may be available to expand the range of work that could fall under HEEPS:ABS funding.
- 3.10 As the push towards net zero carbon emissions continues, it is likely that over the next few years we will start to see changes to Government programmes and options to support owners to make improvements to their homes. It will be important for officers to keep abreast of all opportunities and be flexible and creative in using any external funding options. Home Energy Scotland (HES) offers a range of support to owners and landlords, namely the form of loans at present, to help them undertake energy efficiency work. These schemes are subject to change, and there are various eligibility criteria to be met. Staff will refer owners who are considering participating to HES for the most up-to-date advice on schemes available.
- 3.11 The Council's Scheme of Assistance sets out the support provided to private homeowners to repair and improve their properties. Owners being asked to participate in mixed tenure works are eligible for Private Sector Housing Grant with the levels depending on their personal circumstances. The existing levels of assistance are:
- 50% for resident owners on benefits
 - 35% for resident owners
 - 25% for non-resident owners (commercial or private landlords)
- 3.12 Owners participating in the programme will be able to agree a repayment plan, based on their financial circumstances and the level of debt. They may also be offered a form of equity release in which the Council would take security over the house and take repayment when it was next sold.
- 3.13 Given the relatively high costs of the improvement works in the Housing Regeneration areas, and the desirability of securing a high level of participation to secure the area transformation that it proposed, it is recommended that the Scheme of Assistance for properties in the Housing Regeneration Areas, is revised to 25% for non-resident owners (no change), 50% for resident owners and 75% for resident owners on benefits.

- 3.14 For the avoidance of doubt the Council's Scheme of Assistance only allows the payment of Private Sector Housing Grant in mixed-tenure blocks and there is no proposal at this time to extend eligibility for it to owners in wholly privately-owned blocks.
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Implications of the Report

1. **Financial** – the Financial implications of these proposals will be included within the Council's General Fund forward planning assumptions and managed as part of the annual budget setting proposals in line with the relevant financial year.
2. **HR & Organisational Development** – none.
3. **Community/Council Planning** –
 - *Reshaping our place, our economy and our future – increased take-up of Private Sector Housing Grant will make it more likely that housing-led regeneration will include mixed-tenure blocks.*
 - *Tackling inequality, ensuring opportunities for all – the proposed changes to the levels of Private Sector Housing Grant available will address economic inequalities between owners.*
4. **Legal** – none.
5. **Property/Assets** – none.
6. **Information Technology** – none.
7. **Equality & Human Rights** – recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none.
9. **Procurement** – none.
10. **Risk** – the proposed changes to the levels of Private Sector Housing Grant available will make it less likely that mixed-tenure blocks are excluded from improvement contracts.
11. **Privacy Impact** – none.
12. **COSLA Policy Position** – none.
13. **Climate Change** – none.

List of Background Papers

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