

# North Lanarkshire Council Report

## Enterprise and Communities

approval  noting

Ref SH/DP/LK

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### Scheme of Assistance Review

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### Executive Summary

The purpose of this report is to seek approval for the review of North Lanarkshire Council's Scheme of Assistance and the publication of a revised statement as required by section 72 of the Housing (Scotland) Act 2006.

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### Recommendations

That committee approve the revisions to the Council's Scheme of Assistance section 72 statement and note that a further review will be carried out in 2019.

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### Supporting Documents

**Council plan to 2020:** Improving economic opportunities and outcomes and provide access to high quality housing across all tenures, fund physical programme activity that underpins wider economic development and success and increase housing supply (including affordable).

**Appendix 1. Summary of changes to current section 72 statement.**

## 1. Background

- 1.1 Under section 72 of the Housing (Scotland) Act 2006, Local Authorities have a duty to prepare a 'Scheme of Assistance' detailing the advice and assistance they will offer to help homeowners to repair and maintain their homes and assist disabled residents to live independently at home.
- 1.2 The Scheme sets out the types of information, advice and assistance which will be made available and the circumstances in which the Council may be able to help homeowners. Information and advice will be made available to all private homeowners, landlords and tenants in North Lanarkshire. Assistance, both practical and financial, will only be available to five priority groups. These are:
  1. Disabled people who are assessed as requiring a mandatory adaptation
  2. Disabled people who are assessed as requiring an alternative housing solution
  3. Owners with a shared responsibility for common repairs
  4. Owners of properties which require major works and which are below the tolerable standard or are in a state of disrepair
  5. Owners of properties subject to enforcement action by the Council
- 1.3 The information, advice and assistance elements of the Scheme for owners regarding the repair and maintenance of their properties is delivered by Enterprise and Place's Private Sector Solutions team. North Lanarkshire's Health and Social Care Partnership provide information, advice and assistance for disabled residents requiring adaptations to their properties.
- 1.4 In 2017-18, £1,080,000 in grant assistance was provided to 305 home owners in support of disabled adaptations such as wet floor showering arrangements, ramps etc.
- 1.5 £880,000 was provided to 261 owners during the same period ranging from £300 to £5,000 to support repair and/or improvement work to their properties to address serious disrepair issues. For 2017/18, North Lanarkshire was ranked sixth of all Scottish local authorities for spend on disabled adaptations and third for spend on financial assistance to owners in the same period
- 1.6 For owners in blocks of flats, where an owner(s) is unwilling or unable to participate in common works a "missing share" payment for their element of the costs of works can be considered by the council. Such can only be paid by the council where the majority of owners follow the necessary legal process ahead of the works being undertaken. Missing share costs paid by the council are secured against the unwilling/unable to pay owners property title deeds and are fully recoverable including interest.
- 1.7 Missing shares are often a key to unlocking investment in a block and preventing identified serious disrepair deteriorating further. In 2017/18, £25,600 was paid for 6 missing shares enabling £263,000 work to be progressed by other owners.
- 1.8 In addition to financial assistance, in 2017/18 over 500 owners were provided with advice and assistance ranging from information only through to home visits and subsequent advice as required. Customer survey evidence from 2016 indicated over 40% of respondents had subsequently gone on to carry out repairs, maintenance or improvements to their homes after having contacting the council. This evidence in addition to the benefits of the financial assistance provided to

remove disrepair indicates the benefits of the service in terms of delivering improvements to the housing stock of North Lanarkshire.

- 1.9 In addition to improving the housing stock itself, economic benefits for the area were also delivered with evidence available that 80% of work over a 3 year period carried out with the aid of financial assistance from the council was undertaken by contractors based within North Lanarkshire.
  - 1.10 The council's current Scheme of Assistance was previously reviewed in 2016. In 2018, a review of the Scheme was undertaken. This review confirmed the Scheme generally enables disabled residents to live better and more independently at home as well as successfully providing routes whereby the housing stock of North Lanarkshire can be improved.
  - 1.11 The review however did identify some areas where changes were required to the current Scheme to ensure it remained effective and equitable for all client groups.
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## **2. Report**

- 2.1 The 2018 review indicated a number of administrative changes within the Scheme of Assistance were required.
- 2.2 Under the current Scheme arrangements, disabled homeowners with an assessed need on certain qualifying minimum income benefits were eligible for the current grant level of 80% rising to 100%. For low income homeowners' owners on similar qualifying benefits applying for financial assistance regarding serious disrepair in relation to their properties, the 50% grant for eligible works rose to 75% of the cost of the works.
- 2.3 The four benefits considered as being 'minimum income' benefits – i.e. paid only to those on the lowest income who require additional financial support to meet their basic needs, on which increased levels of financial assistance by the Council were based, are detailed below:
  - Income support
  - Income based jobseeker's allowance
  - Pension credit (guarantee element)
  - Employment support allowance (income related)
- 2.4 In April 2018, the Universal Credit regime became operational within North Lanarkshire. Universal Credit represents an umbrella benefit replacing some of the above income-related benefits as well as others paid to applicants earning above minimum income levels including child and working tax credits and housing benefit.
- 2.5 Scottish Government guidance advises that Universal Credit should be a qualifying benefit for additional financial assistance in relation to mandatory disabled adaptations with regard to Local Authorities Schemes of Assistance. In line with this recommendation, it is proposed North Lanarkshire Council's Scheme of Assistance be amended that owners in receipt of Universal Credit be offered 100% financial grant aid toward the cost of disabled adaptation works.
- 2.6 No guidance has currently been issued by the Scottish Government regarding where discretionary financial assistance is offered by Local Authorities in terms of addressing issues of disrepair within homeowners' properties.
- 2.7 For owners applying for discretionary financial assistance for disrepair issues now in receipt of Universal Credit, it is proposed under the Scheme of Assistance that

a potential increase from 50% to 75% in terms of their award will be considered against the level of Income Support they would have received prior to the introduction of Universal Credit.

- 2.8 No evidence is yet available with regard to the number of potential claimants of Universal Credit who may also apply for the higher percentage grant levels via the Scheme of Assistance. As a result, the impact will be kept under review and any potential required changes to the Scheme of Assistance will form the basis of a future report to Committee.
- 2.9 Other proposed changes to the council's current Scheme of Assistance are detailed below:
- Context changes to assistance details: The circumstances in which financial assistance is provided extended to include rot works associated with installing or replacing a damp proof course (for which assistance is already provided) in common areas.
  - Financial assistance to owners with sole responsibility for their property (i.e. as semi-detached/detached properties): This represents the re-introduction of 50% grant funding for owners whose properties are identified as being Below Tolerable Standard or in serious disrepair for whom they have sole responsibility for the works
  - Debt: Registered landlords with outstanding debts to the council relating to works undertaken to other properties they own will not be provided with any further offer of grant assistance until such debts and interest where appropriate are repaid in full.
  - Enforcement action: Current text to be amended to include reference to Defective and Dangerous Notices to ensure that, in addition to other legislation such as Works Notices, they can also be used to persuade owners to carry out required works to bring a property up to a reasonable standard where appropriate.
- 2.10 A detailed summary of the proposed changes to the current Scheme are detailed within Appendix 1 and the fully updated scheme is available [www.northlanarkshire.gov.uk/schemeofassistance](http://www.northlanarkshire.gov.uk/schemeofassistance)
- 2.11 A further review of the Scheme of Assistance taking into consideration the wider Ambition agenda will be undertaken in 2019.

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### **3. Equality and Diversity**

#### **3.1. Fairer Scotland**

- 3.1.1 The Scheme of Assistance aims to support private owners to repair, maintain and improve their homes. The majority of financial assistance has been spent in mixed tenure areas where socio-economic disadvantage is at its greatest. Higher levels of financial assistance are targeted at residents with the lowest incomes. The proposed changes seeks to extend our support to people living on low incomes, and raise standards in the private rented sector.

### **3.2 Equality Impact Assessment**

3.2.1 No adverse impacts on the equality groups are anticipated.

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## **4 Implications**

### **4.1 Financial Impact**

4.1.1 The potential increase in grant funding to individual applicants based on changes to criteria will be managed from the existing Non HRA funding allocation.

### **4.2 HR/Policy/Legislative Impact**

4.2.1 There are no personnel or equalities implications.

### **4.3 Environmental Impact**

4.3.1 The Scheme of Assistance supports the maintenance of existing homes in the area ensuring that housing need and demand can be better met from within our current housing stock.

### **4.4 Risk Impact**

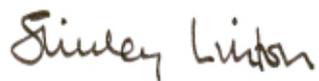
4.4.1 No significant risks were identified as a result of the proposed changes.

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## **5. Measures of success**

5.1 The performance in relation to its Scheme of Assistance is measured within the council's annual update on its Local Housing Strategy which contains actions to measure performance.

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**Shirley Linton**  
**Head of Enterprise and Place**

## Appendix 1

### Scheme of Assistance Review

#### Context change details. (Assistance categories).

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| <p><b>Current position.</b></p> <p>The current section 72 statement lists the categories of qualifying assistance. Changes to the wording of the following current 2 categories are proposed</p> <ul style="list-style-type: none"> <li>• <b>“Installation of a damp-proofing course where none exists at present, or renewal where the current one has broken down.”</b></li> <li>• <b>“Foul water drainage”</b></li> </ul> |  |
| <p><b>Proposed change</b></p>  | <ul style="list-style-type: none"> <li>• <b>“Installation of a damp-proofing course where none exists at present, or renewal where the current one has broken down and any associated rot works at common areas.”</b></li> <li>• <b>“Surface water drainage”</b></li> </ul>  |
| <p><b>Reason for change</b></p>  | <p><b>Damp Proof Course.</b> Change assists with covering all common works associated damp proofing works. The current wording was not felt to adequately cover all works especially in relation to additional eligible common rot works. The changes would allow inclusion of rot works to common areas and minimise requirement for additional inspections once works commenced.</p> <p><b>Foul water drainage.</b> Category description change would make it clearer gutter and downpipe works could be included where either re-roofing or other common grant related works were taking place.</p> |

#### Financial assistance for owners with sole responsibility.

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| <p><b>Serious Disrepair or BTS – Owners with sole responsibility;</b></p> <p>Change proposed to bring the range of financial assistance available to owners with sole responsibility for repairs back in line for owners who share responsibility for repairs with other owners. This would mean that for qualifying categories of works, if the property falls below the tolerable standard or is assessed as within the council’s serious disrepair classification, a sole owner would be entitled to 50% grant assistance increasing to 75% where ALL owners were on a previous qualifying benefit as per assessment process detailed within Section 2.7 of the main report. This change provides uniformity to the level of assistance available to owners for qualifying works regardless or not if the works are either shared or sole responsibility.</p> |   |
| <p><b>Proposed change</b></p>  | <p><b>Change the wording contained within the assistance for owners with sole responsibility assistance section of the document and bring it in line with the common works section. It is hoped that this will assist in the overall aim to improve the condition of private property within the North Lanarkshire area.</b></p>  |
| <p><b>Reason for change</b></p>  | <p>Restricting financial assistance to 75% or no financial assistance for sole responsible owners has been seen to be detrimental to a number of owners as not all owners that could benefit from assistance qualify for the enhanced rate of 75%. The most common circumstances are because owners have narrowly missed out on a previous qualifying benefit possibly due to their level of income being slightly above DWP thresholds or for older persons, their pensions lift them above the threshold for guaranteed pension credit element.</p> |

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|  | <p>Owners in these circumstances are left with few options as the affordability of required works is rarely offset by the marginal increase in household income especially for older persons. Currently the service is limited to advice and assistance for such owners and for some, their only choice to rectify their property is to borrow the required funding. Many do not feel this is an acceptable option and so a property can fall into further disrepair.</p> <p>Although enforcement action can be considered for severe cases, this is not always the most effective long term solution for an owner. Works undertaken in default remove all element of control from an owners and only relate to essential repair work with full improvement not normally able to be considered. This means an owner may face future expense for repairs/ replacement as well as additional debt. Non-payment by an owner for any work undertaken in default can result in a charge being put over their property and in certain circumstances, interest being applicable to that debt.</p> |
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### Financial assistance to landlords

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| <p>Within the current section 72 statement, reference is made to landlords and the requirement they be registered as legally required under the Landlord Registration Scheme.</p> <p><b>“Landlords with occupied properties will only be given assistance if they are registered on the National Landlord Registration Scheme.”</b></p> |   |
| <b>Proposed change</b>  | <p><b>“Landlords with occupied properties will only be given assistance if they are registered on the National Landlord Registration Scheme and do not have any other works related debts owed to the council for example for capital programme works or where a repayment charge remains outstanding for another property that they own.”</b></p>  |
| <b>Reason for change</b>  | <p>The Scheme aims to continue to ensure financial assistance is only considered for owner(s) acting as a landlord who are registered under the landlord registration scheme. The additional text enhances this position and ensures where involvement with a landlord has occurred previously and an existing debt to the council is already in place, the landlord cannot receive any further financial assistance until that debt is paid in full.</p> |

### Defective and Dangerous Notices

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| <p><b>The current section 72 statement describes the enforcement options available to ensure works can be carried out to properties considered to be in disrepair.</b></p> |   |
| <b>Proposed change</b>   | <p><b>Revised text to be added to detail the possible use of Defective and Dangerous Notices as options that can be considered to tackle disrepair.</b></p>   |
| <b>Reason for change</b>   | <p>When looking to address disrepair, all appropriate legislation as options to lift a property out of disrepair require to be considered. Where a single identifiable element of the property is defective and over time if left unattended will materially affect the fabric of the building a defective notice can be served. An example would be if a section of defective roughcast or brickwork was not repaired, it may be</p> |

appropriate to raise a defective notice to ensure the owner takes care of this particular element.

Should an immediate danger be evident at a property, a dangerous notice may be used to make the building and or the element of the building safe. In both circumstances where either notices are used and the council requires to carry out any work in default, the owner would be charged all costs incurred by the council relating to the undertaking of such work.

**NOTE.**

*Changes are required to the Council's Scheme of Delegation to ensure that in these circumstances a re-payment charge can be raised against an owner to protect public funds. Arrangements have been taken to ensure this change takes place.*