

REPORT TO: EXECUTIVE MEMBER FOR HOUSING: 18 March 2008

REPORT BY: HEAD OF COMMUNITY HOUSING

WRITTEN BY: ROY SCANLON, Housing Renewals Manager

SUBJECT: AMENDMENT TO THE FINANCIAL ASSISTANCE POLICY FOR PRIVATE SECTOR HOUSING

1. PURPOSE OF THE REPORT

To seek the approval to a number of amendments to the current policy that extends and refines the range of assistance packages to better meet the needs of residents and strategic objectives.

2. RECOMMENDATIONS

To agree the broader range of assistance packages to be introduced on 1st April 2008, as detailed in appendix A

3. BACKGROUND

The city council adopted the current Financial Assistance Policy on 22 July 2003 in response to the Regulatory Reform Order 2002. The policy introduced a range of assistance packages aimed at helping homeowners repair and improve their property. A further report to the Executive Member in February 2006 recommended the adoption of the Financial Assistance Policy for Private Sector Housing 2006, which saw a shift of emphasis from unfitness to the Decent Homes Standard, following a review of the 2003 policy.

4. CURRENT POSITION

A bid for funding to the Regional Housing Board (RHB), submitted in October 2007, included some new initiatives to assist meeting target on energy efficiency, sustainability and engagement with the private rented sector. It also proposed increasing the availability of loan packages and the expansion of the community development finance initiative. As a consequence of these new provisions the councils Financial Assistance policy for Private Sector Housing needs to be amended.

The policies adopted in 2003 and 2006 included loans as part of the assistance packages to facilitate the transition from the dependency culture created by the national grants system to a more sustainable way of funding private sector renewal. To continue this journey adjustments to the ratio of grant and loan elements within the assistance packages have been made along with the grant repayment terms.

5. PROPOSALS

The range of assistance packages, set out in appendix A, have been increased and now include;

Warm Front top up – Many vulnerable families do not proceed with the installation of full central heating under the EAGA Warm Front scheme, or are forced to settle for partial heating, when the cost of work exceeds the grant. This measure would enable them to proceed and get a full system thereby contributing to the councils HECA targets and helping to reduce fuel poverty.

Renewables Loan – Take up on renewable energy products e.g. solar power, heat pumps and micro CHP, is fairly low due to the relatively high initial cost. This measure aims to offer a short term/ no cost loan to incentivise take up and assist with the move to sustainable energy sources.

Empty Property Loan – Many properties remain empty because their owners do not have the necessary funds available to repair them to a condition suitable for letting. The provision of a short term/ no cost loan would enable the property to be renovated and brought back into use with repayment of the loan being made once an income stream was secured.

Affordable Loans – In February 2005 the Executive approved the city councils membership of a consortium and the establishment of a Community Development Finance Initiative administered by South Coast Money Line (SCML). The inclusion of the availability of loan products, either through SCML or the council, in the body of the policy raises their profile and demonstrates the councils commitment to this type of assistance.

6. FINANCIAL ISSUES

At the time of preparing this report the allocation of funding from the Regional Housing Board (RHB) for private sector renewal had not been finalised, however we have been given an indicative figure for 2008-2011. This is the result of the bid submitted to the RHB in October 2007 for funding for private sector initiatives some of which have been incorporated in the new policy.

The Housing Investment Programme Capital Budget for 2008 has been agreed with the assumption on this level of funding therefore some minor amendments to the budget may be necessary once the final settlement is known.

7. CONCLUSION

The Financial Assistance Policy for Private Sector Housing 2006 was prepared to ensure that the range of assistance measures available were; suitable to meet the needs of residents, able to

deliver the outcomes necessary to meet the new targets, whilst continuing to address unfitness and to provide decent safe homes in the city. This amendment increases the range of assistance available, aids the progression from grants to loans, encourages investment in the private rented sector and offers incentives to property owners to help the council meet its strategic objectives.

This report has undergone an effective Equality Impact Assessment

8. SIGNING OFF THE REPORT

Signed.....+
Alan Cufley Head of Community Housing

Dated.....

9. APPROVAL TO THE RECOMMENDATIONS

The recommendations set out above were approved / approved as amended / deferred / rejected by the Executive Member for Housing, on.....

Signed.....