

**Decision maker:** Cabinet Member for Housing 15 March 2011

**Subject:** Financial Assistance Policy for Private Sector Housing

**Report by:** Alan Cufley, Head of Community Housing and Regeneration

**Wards affected:** All wards

**Key decision (over £250k):** Yes

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### **1. Purpose of report**

To seek approval for the new financial assistance policy for private sector housing renewal in Portsmouth.

### **2. Recommendations**

**2.1** That the 2011 Financial Assistance Policy is agreed, and implemented from 1 April 2011, as detailed in Appendix 1.

**2.2** That recipients of loans provided prior to 1 April 2011 be offered the option of early repayment of their loan, by making either one off payments or entering into an instalment arrangement.

**2.3** That the implementation and satisfaction with the take up of the new assistance packages be reviewed after six months, and a further report brought to a future meeting of the Cabinet Member for Housing.

### **3. Background**

**3.1** The City Council adopted the current financial assistance policy in July 2003 in response to the Regulatory Reform (Housing assistance) Order 2002, and to meet the continuing requirements of the Housing Grants, Construction and Regeneration Act 1996. The policy was amended in 2006 and 2008 to take account of updates to the legislation and changes in central government funding.

**3.2** From 2008 to 2011 the city received around £8.4 million in funding through the Regional Housing Board which enabled the Council to provide a broad range of packages to tackle poor housing conditions, bring homes up to the Decent Homes Standard, and introduce home energy efficiency measures. This funding was complemented until 2010 with a rolling programme of capital funding from the City Council.

**3.3** The City Council receives a grant to provide funding for disabled adaptations to enable people to remain living independently in their home. This grant has until this year been

ring-fenced, but from April 2011 will be within the single capital pot. This will require annual bids to be made for the allocation of funding.

**3.4** The Regional Housing Board was abolished as part of the government spending review. Future funding for housing renewal will therefore be reliant on contributions from homeowners and landlords themselves, the City Council and private, or third sector financial institutions.

**3.5** Capital finance by the City Council is now through The Single Pot, to which bids are made each year. In 2011/12 £4,289,563 has been allocated. No further sums are guaranteed for future years.

**3.6** Despite a reduction in capital funding available for housing renewal and adaptation, the Council still has mandatory duties under the following legislation:

- Housing Grants, Construction and Regeneration Act 1996 – mandatory provision of Disabled Facilities Grants
- Housing Act 2004 – introduction of the Housing Health and Safety Rating System (HHSRS) and the duty to remove Category 1 hazards.

**3.7** In addition to the legislative requirement placed on the Council, the adaptation, repair and improvement of the city's housing stock make a significant contribution to achieving the Local Strategic Partnership's and the Council's vision and strategic objectives, to regenerate the city, and support our most vulnerable residents.

#### **4. Reasons for recommendations**

Introduction of the Financial Assistance Policy 2011 as detailed in Appendix 1 will achieve the following benefits for the City Council, individual householders, and the city as a whole:

**4.1** The change of emphasis from grants to loans for home improvement will enable the Council to increase the rate at which financial assistance is recycled, creating a more sustainable funding stream to provide assistance to local people in future years.

**4.2** Disabled people will continue to be assisted to adapt their properties to meet their needs.

**4.3** The use of the HHSRS (Housing Act 2004) for assessing eligibility for assistance will ensure that the assistance is directed towards those most at risk from the adverse effects of poor housing, on their health and wellbeing.

**4.4** The continuation of grants for essential repairs will provide a 'safety net' to ensure that the fabric of the city's housing stock does not deteriorate through lack of repair, and that the most vulnerable residents can access financial support when required.

**4.5** The Council has a loan book of over £6 million for housing renewals loans. Offering early repayment options to existing loan recipients will enable them to manage their debt, and encourage early repayment of loans thereby increasing the funding available for future housing renewal.

**5. Equality impact assessment (EIA)**

An Equality Impact Assessment has been undertaken for this policy.

The policy recommended for approval is designed to ensure that vulnerable people across all equalities strands have access to assistance where needed in an environment of reduced public funding. Detailed monitoring will continue of the take up of assistance across all equalities strands, with an update to be provide to the Cabinet Member for Housing

**6. Head of legal services' comments**

The City Solicitor is satisfied that there are no immediate legal implications arising from this report

**7. Head of finance's comments**

The proposals in this report have the potential to generate additional income for use in meeting the needs of vulnerable people in private housing.

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Signed by: Alan Cufley  
Head of Community Housing & Regeneration

**Appendices:**

Appendix 1 – Private Sector Housing Financial Assistance Policy 2011

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by ..... on .....

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Signed by: