



**Title of meeting:** Cabinet Member for Housing  
**Date of meeting:** 9<sup>th</sup> July 2013  
**Subject:** Financial Assistance Policy for Private Sector Housing  
**Report by:** Alan Cufley Head of Corporate Assets, Business & Standards  
**Wards affected:** All Wards  
**Key decision:** Yes  
**Full Council decision:** No

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## 1 Purpose of report

- 1.1 To seek approval to amend the current Financial Assistance Policy for Private Sector Housing Renewal in Portsmouth to make the policy more in line with customer needs.

## 2 Recommendations

- 2.1 That the 2013 Financial Assistance Policy is agreed and implemented from 9<sup>th</sup> July 2013, as detailed in Appendix 1.

## 3 Background

- 3.1 The City Council adopted the current financial assistance policy in July 2012 in response to a change in access to funding. Still in keeping with providing assistance to our vulnerable residents, the new policy was developed around providing more low cost loans to residents, whilst still providing financial assistance in the form of grant aid to our most vulnerable residents.
- 3.2 The loans provided are based on a fixed term repayment basis calculated through a full financial assessment of the resident's ability to repay.
- 3.3 Although capital funding available for housing renewal has reduced for housing 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.
- 3.4 In addition to the legislative requirement placed on the Council, the adaptation, repair, and improvement of the city's housing stock makes a significant contribution to achieving the Council's vision and strategic objectives, including the Capital Strategy, to regenerate the city and support our vulnerable residents.

#### 4 Funding Allocation

- 4.1 As approved by Council in February 2013, resources to fund the Financial Assistance Policy in 2013/14 are as follows:

<b>Support for Vulnerable People</b>	
Corporate Contribution 13/14	£900,000
Grant contributions and agency fees	£116,000
Remaining corporate contribution 12/13	£558,571
	<b>£1,574,571</b>
<b>Removal of Hazards and Risks in the Home</b>	
Loan Repayments	£500,531
	<b>£500,531</b>
<b>Total Funding</b>	<b>£2,075,102</b>

#### 5 Proposed Policy changes.

- 5.1 To allow private Occupational Therapist (OT) to make referrals on behalf of clients.
- 5.2 To increase the eligibility for Disabled Facilities Assistance (DFA) to include help by the way of a low cost loan for clients that are not eligible for a Disabled Facilities Grant (DFG) but still require a disabled adaption. Low interest bearing loan up to £15,000.
- 5.3 To reintroduce a landlord loan to help local landlords bring their properties in line with current legislation and other council polices. Low interest bearing loan up to £35,000.
- 5.4 To allow for an administration change to be made where appropriate, for clients who make ad-hoc over payments in relation to their loan.

#### 6 Reasons for recommendations

##### OT support

- 6.1 We are unable to proceed with a DFG application unless a referral is made by an Occupational Therapist (OT). Currently these are only accepted via OTs directly employed by Adult Social Care. Allowing private OTs to refer and allow a reasonable fee to be paid out of the grant assistance if awarded, will allow for more financial assistance to be provided to this vulnerable sector.

- 6.2 To ensure that the referrals submitted do meet the needs of the client, an expert panel will be arranged consisting of a senior PCC OT and members of the Private Sector Housing Team (PSHT) to ensure compliance with the legislation.

#### Disabled Facilities Assistance

- 6.3 A client DFG application must undergo a formal means test of resources, with the parameters, set within the regulations, to see if the applicant qualifies for grant assistance. A number of clients find that their contribution is above the overall cost of the adaptations works and therefore no assistance can be awarded, but the adaptations are still required. This type of assistance will help customers who may have a large income, but no savings to access a low cost loan to help them undertake the adaptations and remain within their property.

#### Landlord loans

- 6.4 The reintroduction of a low cost loan for landlords will provide assistance to this much needed market and show further support from the city council during the implementation of the Additional Licensing programme. Interest bearing loans for a maximum term of 5 years where the property is rented, at current market rent, will encourage landlords to have a more proactive approach to improving housing conditions within the private rented sector.
- 6.5 If the landlord wishes to rent the property through an affordable housing rent scheme (80% of the full market rent or less), the low interest bearing loan can be repaid over a 10 year period to take into account the reduced income received from the rent payable. It should be noted that in order to avoid State Aid issues, financial assistance to a landlord cannot exceed E200,000 over a 3 year period.

#### Over payment

- 6.6 The majority of customers repay their loans by direct debit which have been arranged and agreed prior to the works being undertaken. The current policy allows for clients to make additional over-payments and have an early redemption of their loan without any financial penalty. Over the last 12 months we have seen clients paying small amounts off their loan on an ad-hoc basis, which has led to a large amount of administration work being undertaken to monitor and recalculate interest owed and to re-invoice the clients. Due to the disproportionate costs to the Council for this service, it is more appropriate to allow only larger over-payments to be made by the client without an administration charge being considered.

### **7 Equality Impact assessment (EIA)**

- 7.1 An EIA has been undertaken for this change to the current policy and this does not impact on any of the equality groups.

**8 Legal Implications**

8.1 Terms and conditions will need to be developed to ensure that the Council's loan investment in a given property is secured appropriately. A cap on the total sum offered to given landlords in loans should be considered in order to ensure that public monies are properly protected, and that assistance to the landlord does not represent state aid to any commercial landlord operation that he or she undertakes (or, where it does, that it exceeds any threshold of aid to that landlord).

**9 Finance Comments**

9.1 The proposals within this report and in Appendix 1 look at providing a variety of financial assistance packages to residents of the City, but do not seek any additional resources to do so. The proposals aim to focus the provision on our mandatory duties of removing category 1 hazards, providing Disabled Facilities Grants, and providing assistance which will represent a saving to other budgets within the Council such as social care services. All financial assistance will be assessed against these priorities in the first instance.

9.2 The financial assistance will continue to be met from the previously approved resources as identified in paragraph 4.1 for 2013/14, which was approved by Council on 12<sup>th</sup> February 2013, and any future year funding will be approved as part of the Council's overall Capital Programme setting process.

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Signed by:  
Alan Cufley, Head of Corporate Assets, Business & Standards

**Appendices:**

Appendix 1 – Private Sector Housing Financial Assistance Policy 2013

**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
None	

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

.....  
Signed by:  
Councillor Darren Sanders, Cabinet Member for Housing