

**Title of meeting:** Cabinet Member for Housing

**Date of meeting:** 23<sup>rd</sup> September 2014

**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 keep the policy in line with customer needs.

## 2 Recommendations

- 2.1 That the 2014 Financial Assistance Policy is agreed and implemented from 1<sup>st</sup> October 2014, as detailed in Appendix 1.**

## 3 Background

- 3.1 The City Council adopted the current Financial Assistance Policy (FAP) in July 2013 in response to a change in the funding available to support the various packages. Whilst continuing to maintain the long established and well regarded programme of providing assistance to all residents, the policy was amended to offer more low cost loans alongside the ability to provide much needed 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 and improvement has necessarily reduced in the last few years, the Council still has mandatory duties for housing adaptation and improvement 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 requirements 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 those in the Capital Strategy, to regenerate the city and support our vulnerable residents.

## **4 Proposed Policy changes.**

4.1 Over the last year, close monitoring of the loans and grants that have been introduced and provided to residents has been ongoing. This work has shown that despite a considerable amount of effort being made to market these grants and loans, customers have not found some of the products within the FAP as attractive as was first envisaged. Similarly, some types of assistance have proved very popular or are currently missing from the offer.

Therefore the following changes to the Policy are proposed:

4.2 The following products are recommended to be removed from the FAP.

- Category One Hazard Grant.
- Landlord Assistance Loan.
- Property Downsizing Loan.
- Property Marketing Loan.

4.2 To increase the Home Repair Grant from £4,000 to £8,000. This will enable more families to undertake essential works to their own properties, which would affect the health, safety and welfare of anyone living within the home.

4.3 To increase the amount of means tested low income from £2,000 to £4,000, which again will allow working families, but who cannot claim a means tested benefit access grant funding to undertake essential repairs to their property.

4.4 To increase the amount for a Vulnerable Person Grant from £10,000 to £15,000. This will allow more vulnerable families undertake essential works to their own properties, which would affect the health, safety and welfare of anyone living within the home

4.5 To introduce a capital tenancy deposit loan to help people access good quality accommodation within the private rented market.

## **5 Reasons for Recommendations**

### Removal of some loans and grants from the current policy

5.1 Although our customers are accepting that the city council could not just provide grant funding. A number of products that we have made available to our customers had seen either a zero or very low take up and therefore, these products will no longer be made available.

### Increase the amount of grant aid available to low income households.

5.2 The increase to the Home Repair Grant to £8,000 will enable more essential works to be undertaken to a property. There has been an overall increase in material costs and builder employee costs of around 14%. It has been shown that once other fees have been taken into account, the amount of money available to undertake the works has been insufficient to cover the cost of certain repairs such as making the property weather- tight or improving the electrical safety and heating.

5.3 Where families are just above the threshold of being in a position to obtain financial benefits, but are still on a low income we undertake a government approved means test calculation. If the calculation indicates a "contribution" of less than £4,000 they can be eligible for grant aid. The proposed increase takes into account the new means test criteria and reflects what the monitoring information captured during the last year shows, in that more families with a higher income are struggling to undertake essential one-off repairs to their properties.

Increase the amount of grant aid available to vulnerable persons.

5.4 The increase to the vulnerable person grant to £15,000 will enable more works to be undertaken to a property. The same increases in costs described in paragraph 5.3 above means that some vulnerable families are unable to access the necessary funds in order for all the necessary repair works to their property to be carried out.

5.5 A large number of young people are finding it increasingly difficult to save money for a deposit for a rented property, which could be up to 2 months rent. It is also hard for families to move to more suitable accommodation within the private rented market if they are having to find an additional 2 months' rent as deposit whilst waiting for the return of the current deposit. This personal loan should see greater movement within the private rented market and less reliance on social housing.

## **6 Home Improvement Agency**

6.1 Customers of these home improvement products and services will continue to have the opportunity for their work to be managed by the city council's Home Improvement Agency. This service involves finding a suitable builder, help in obtaining planning and building control permission, monitoring the works and ensuring that the works are undertaken to a satisfactory standard for both the customer and the city council.

6.2 This service will available to the customer at a fixed rate of 10% of the overall cost of the building works.

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

7.1 An EIA has been undertaken in relation the financial policy and these changes do not impact on any of the equality groups.

## **8 City Solicitor's comments**

8.1 There are no specific legal comments regarding the report and the Policy is sufficiently engaging as to not present a risk or challenge to the city council.

## **9 Head of Finance Comments**

9.1 These schemes are funded through the Council's Capital Programme. The proposed changes detailed within this report will be contained within the current, approved capital programme for 2014/15, as the removal of some grants and loans will balance the increase in grant allowed, or introduction of the new loan scheme. For 2015/16

onwards, a proposed capital programme will be brought to Cabinet and Council later this year.

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

**Appendices:**

Appendix 1 – Private Sector Housing Financial Assistance Policy 2014

**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 .....

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Signed by:  
Councillor Steve Wemyss,  
Cabinet Member for Housing