

## REVIEW OF PRIVATE SECTOR FINANCIAL ASSISTANCE POLICY

### 1. INTRODUCTION

- 1.1 The purpose of this report is to recommend changes to the Council's Private Sector Financial Assistance Policy which helps low income vulnerable home owners carry out essential repairs and improvements. It is recommended that the Council cease offering non-repayable grants and in future offer a zero interest loan from existing Renovation Grant budget which would enable us to re-cycle the funds when the loan is repaid.
- 1.2 It is also proposed to focus the policy on works to help with efficient heating, energy efficiency and works to remedy significant health and safety risks in the home.

### 2. BACKGROUND INFORMATION

- 2.1 The Council's Private Sector Financial Assistance policy enables low income vulnerable home owners to be helped to carry out essential repairs to their homes. This enables them to remain at home and reduces the need for social housing.
- 2.2 The current policy was agreed by Cabinet in July 2009 and enables the Council to offer grants and/or a loan. All grants and loans are means tested and are normally available to low income home owners or long leaseholders.
- 2.3 Funding for assistance has been reduced and it is now felt that the options should be reviewed to ensure the best use of limited remaining funds this year and in future years. The Renovation budget at the start of this financial year was £102,000.
- 2.4 No changes are proposed to the Disabled Facilities Grant policy.

### 3. POLICY CHANGES

- 3.1 It is no longer considered appropriate to give non-repayable grants and it is proposed to offer all future assistance in the form of a zero interest loan (with a few exceptions listed below). The loan would be repaid when ownership of the property changes and funds can be re-cycled to pay for further loans. It should also be noted that all the processes are in place to deliver loans.
- 3.2 Loans would be available to improve heating, energy efficiency and deal with Category 1 hazards as defined by the Housing Act 2004. Category 1 hazards pose a significant health risk such as dangerous electrics or structural collapse.
- 3.3 Qualifying criteria for a **Home Improvement Loan** would be the qualifying criteria as the policy as previously agreed in Cabinet for the current Financial Assistance Policy. In summary applicants will have to own their own home and meet the financial means test which would be:
  - be on an income related benefit.
  - or having a contribution of less than £15k when assessed by the DFG means test.

It is also proposed to drop the requirement for applicants to live in a dwelling rated in the a-e Council Tax bracket and open eligibility to all owners with priority given to the lower rated properties.

- 3.4 The loan is no longer linked to the level of clear equity in the property. At present applicants to have £50,000 clear equity in the property after the loan has been taken into account.
- 3.5 Tenants with contractual repairing obligations and tenancy of at least five years at the point the loan is approved would be eligible to apply for a loan subject to meeting all other criteria.
- 3.6 The maximum loan would be £10,000 with the Senior Private Sector Housing Officer, in consultation with the Head of Housing, to have the discretion to increase this in individual cases where risk of works not being carried out are deemed too great.
- 3.7 The Council has the discretion to offer grant where it is unable to secure a loan. This would normally be mobile homes were we are unable to register our loan as a land charge.
- 3.8 The Loan (or Grant) will be offered with a reduced approval period (minimum 2 months) so all loans are approved and spent in the current financial year with no carryover of commitment. The loan is registered as a charge against the property and repaid when ownership of the property is transferred or the applicants move out of the dwelling.

#### **4. Works eligible for a loan**

- 4.1 Improvements to heating and energy efficiency. This is in response to the Council's House Condition Survey which highlighted the problem of Fuel Poverty in the Forest.
- 4.2 Assistance for applicants over 60 who qualify for a Warmfront Grant but who will have to wait a significant period over winter before the works are carried out.
- 4.3 Works to ensure homes are safe and free from significant health and safety risks (as defined by the Housing Act 2004, Category 1 hazards). Examples would include treating rising dampness, dangerous electrics and heating systems, lack of water supply and leaking roofs. Priority would be given to any application where it is found that there is the greatest health and safety risk when assessed under the Housing Health and Safety Rating System as defined by the Housing Act 2004.
- 4.4 It is proposed that the Senior Private Sector Housing Officer will, in consultation with the relevant Portfolio Holder, have delegated authority to reject applications that are not considered reasonable and an appropriate use of the limited budget.

#### **5 FINANCIAL IMPLICATIONS**

- 5.1 The grant budget is agreed annually and loans would be approved and spent in the same financial year so there will be no financial implications other than as agreed during the current financial year.

## **6. ENVIRONMENTAL IMPLICATIONS**

- 6.1 This policy will help vulnerable people to maintain and remain in their own homes and communities and reduce the incidence of Fuel Poverty. The policy also enables the Council to offer assistance to vulnerable owners rather than enforcement which the Council is obliged to do under the provisions of the Housing Act 2004. The outcome of enforcement cases is often the Council is forced to carry out works in default and place a charge on the property.

## **7. CRIME AND DISORDER IMPLICATIONS**

- 7.1 Some works carried out under this policy may include measures to make homes more secure.

## **8. EQUALITY AND DIVERSITY IMPLICATIONS**

- 8.1 This policy will enable more low income, vulnerable and disabled people to remain in their homes and communities freeing up social housing.

## **9. PORTFOLIO HOLDER COMMENTS**

- 9.1 The Portfolio Holder for Housing and Communities says that this policy will enable the Council to help some of the most vulnerable home owners in the New Forest to keep their homes safe from health and safety risks. Helping them remain in their own homes and communities will reduce the demand on social housing. The Portfolio Holder is also pleased to see that the money given as loans will eventually come back to the Council to be re-cycled and used for more loans in the future.

## **10. RECOMMENDATION**

- (a) That the amendments and additions to the Financial Assistance Policy as detailed in paragraphs 3 to 4 of this report be approved; and
- (b) That the Senior Private Sector Housing Officer be given delegated authority to reject applications that are not considered reasonable and an appropriate use of the limited budget, subject to consultation with the relevant Portfolio Holder.

### **For Further Information:**

Tony Elsbury  
Senior Private Sector Housing Officer  
Tel: 02380 285595

Email: [tony.elsbury@nfdc.gov.uk](mailto:tony.elsbury@nfdc.gov.uk)

### **Background Papers:**

Cabinet Report 6 July 2009 – Private Sector Financial Assistance Policy (Review of Grant Policy and Introduction of loans)  
New Forest District Council Private Sector House Condition Survey 2010