



PART A:	MATTERS DEALT WITH UNDER DELEGATED POWERS
REPORT TO:	POLICY AND RESOURCES
DATE:	23 MARCH 2017
REPORT OF THE:	FRONT LINE SERVICE DELIVERY LEAD BECKIE BENNETT
TITLE OF REPORT:	ENERGY REPAYMENT LOAN
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 To update Members on a new regional loan product - Energy Repayment Loan (ERL) - and to seek approval to adopt this to be administered on behalf of the Council by Sheffield City Council.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Policy and Resources Committee agree:
- (i) to introduce the new Energy Repayment Loan (ERL) scheme to enable the community to benefit from the Ryedale allocation of £23,000.
 - (ii) that pursuant to the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 this Council's powers under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 in respect of ERLs be delegated to Sheffield City Council to administer the ERL scheme on behalf of the Council.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The introduction of the new indicator for Fuel Poverty has indicated that although fuel poverty levels in the District are generally below the national and regional average, there is still an issue with Fuel Poverty across the entire District.
- 3.2 The ERL presents an opportunity for Ryedale to adopt the new loan, benefit from an allocation of £23,000 from the Regional pot and to delegate the administration to Sheffield City Council.

4.0 SIGNIFICANT RISKS

- 4.1 The risk of not introducing the ERL scheme is that an allocation of £23,000 would not be available to assist the community to receive valuable energy efficiency measures and who would otherwise not be eligible for grant funding.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 Contributes to the Council's Corporate plan, meeting housing needs in the district and forms part of the Council's Housing Strategy to tackle fuel poverty.
- 5.2 Officers from Ryedale have been part of the collaborative working group developing the loan. The new loan has been presented to the Regional Private Sector group which is formed from a partnership of 21 councils. All are seeking to adopt the new loan in order to assist the community.

6.0 BACKGROUND

- 6.1 The Energy Repayment Loan (ERL) has been developed by the Regional Homes and Loans Service aimed at alleviating fuel poverty within the district and seeks to expand the remit of the original Regional Home Appreciation Loan (HAL) Scheme. This was first set up through the then Regional Housing Board as a regional fund with Sheffield City Council as the fund holder and regional loan administrator, for all 21 local authorities in Yorkshire and the Humber. The purpose of these loans was to provide an affordable way for financially vulnerable home owners living in non decent properties to repair and improve them without resorting to grant assistance.
- 6.2 The intention was, and still is, to enable this fund to be recycled as loans are redeemed. Although no new funding has been received from government since 2010, the value of loans redeemed over the years has built up to enable further small loans to be advanced across the region. Ryedale have been allocated £23,000 if we adopt the new loan.
- 6.3 It is proposed to recycle funds from redeemed HALs to help tackle excess cold and fuel poverty across the Yorkshire and Humber region. Excess cold is one of the most common reasons for failure of the Decency Standard, and which contributes most significantly to ill health and costly fuel bills, particularly for the most vulnerable.
- 6.4 Development, direction and monitoring of loans and performance is done through and in consultation with the Regional Loans Board, comprising local authority representatives across the region. The Regional Loans Board, with whom we have worked closely in the development of this proposed scheme, supports the introduction of an affordable Energy Repayment Loan (ERL) available across the region to complement and supplement other energy efficiency measures available through other routes.

7.0 REPORT

7.1 ENERGY REPAYMENT LOANS

- 7.1.1 The ERL is designed to be a loan of last resort, where other forms of finance are not viable. It is specifically designed to help address excess cold and fuel poverty. In order for the Council to carry out this function, it will need to delegate power to Sheffield City Council to award the grant using the principle established for Home Appreciation Loans in the past.
- 7.3 An Energy Repayment Loan is an interest free monthly repayment loan between £300 and £3000 for a term of 1 to 5 years.
- 7.4 Where Sheffield City Council is not satisfied that an applicant will be able to make the repayments required under an ERL then alternatives will be looked at.
- 7.5 Loans from the Regional monies will be secured as a Legal Charge in Sheffield City Council's name and administered by the Homes and Loans Service on behalf of the local authorities in the region.

7.6 Loan Repayment

- 7.6.1 Each loan is based on regular affordable monthly repayments managed by the Homes and Loans service. Repayments will normally be by means of a Direct Debit and annual statements of account are sent to applicants.

7.7 Set Up Charges

- 7.7.1 The loan will be interest free, therefore ensuring maximum affordability. However, there are set up charges of £50 per case which will be charged to partially cover the loan administration set up costs plus applicants will be required to meet the costs of registering a legal charge.

7.8 Default on Loan

- 7.8.1 Information from other similar loan providers would indicate the likelihood of default is very low. However, in the event of a default on loan repayments, the circumstances of each case will be dealt with individually as to the remedial action required. It will be for the Regional Homes and Loans Manager to determine such action having regard to the financial circumstances of the client and their repayment history to date.

8.0 IMPLICATIONS

- 8.1 The following implications have been identified:

a) Financial

There is no financial implication on the current budget however introducing the ERL will secure Ryedale an allocation of £23,000 to help homeowners in Ryedale install energy efficiency measures to make their homes feel warmer and reduce their fuel bills.

b) Legal

In accordance with the Local Government Act 2000, Local Authorities (Arrangements for the Discharge of Functions) (England) Order 2012 and all other enabling powers, the discharge of the loan function relating to the Energy Repayment Loans scheme may be delegated to another local authority.

c) Staffing

There are no staffing implications as the YES Energy Solutions and the Senior Specialist (People) and the Community Team will support the scheme.

9.0 NEXT STEPS

- 9.1 Subject to approval, a memorandum of understanding will be signed between Ryedale and Sheffield City Council in order for the scheme to progress.

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Background Papers: None