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<b>PART A:</b>	<b>MATTERS DEALT WITH UNDER DELEGATED POWERS</b>
<b>REPORT TO:</b>	<b>POLICY AND RESOURCES</b>
<b>DATE:</b>	<b>3 FEBRUARY 2022</b>
<b>REPORT OF THE:</b>	<b>PROGRAMME DIRECTOR OF PLACE AND RESOURCES PHILLIP SPURR</b>
<b>TITLE OF REPORT:</b>	<b>PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE PROPOSED POLICY REVISIONS</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

- 1.1 This report introduces the proposed changes to the current Private Sector Financial Assistance Policy which is within the Housing Strategy to allow for a wider and more flexible use of the current available funding in the capital programme.
- 1.2 The original scheme was agreed by the Commissioning Board (previous relevant committee) in March 2012, where the original funding levels for each financial package were confirmed. This has now been brought back before Committee for the authorisation of policy revisions.
- 1.3 The report seeks to consider the revision of the private sector housing capital budget and the level of the grants/loans funding limit for individual allocations to commence financial year 2022/2023 and for the future years. This will enable more flexibility in the allocation of the financial package. The existing levels against each budget heading is restrictive in its current state.
- 1.4 To increase the values of the Property Improvement Loan and Landlord Improvement Grants and Landlord Improvement Loans as these were set 9 years ago, due to the increase in cost of materials and labour.
- 1.5 To amend the current financial low income household threshold level from £21K to £30K in line with the approved Eco-Flex Statement of Intent (SOI) for the Ryedale Energy Saver Scheme to ensure it is similar to the other external funding schemes available from Government. Also to allow for any further changes to the low income eligibility in line with any future changes that Government may deem appropriate.

## **2.0 RECOMMENDATIONS**

- (i) Approve the flexible approach to the use of the existing capital budget to ensure that the current array of loan/grants can be utilised more effectively.
- (ii) Approve the increase to the value of the Property Improvement Loan from £7.5K to £15K and Landlord Improvement Grants and Landlord Improvement Loans from £15K to £20K.
- (ii) Approve the increase of the level of the low income threshold from £21K to £30K for the Ryedale Energy Saver Scheme.

## **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 To increase the flexibility in which the capital budget can be utilised.
- 3.2 Due to the increased costs associated with materials and labour to increase the maximum limit of each of the funding schemes to allow for the loans/grants to be accessed by residents.
- 3.3 To increase the low income threshold for the Ryedale Saver Scheme to allow more residents to access funding and to ensure that all funding streams offered by Ryedale are all in line with the SOI.

## **4.0 SIGNIFICANT RISKS**

- 4.1 There is a continued need for financial assistance to improve the housing needs of Ryedale residents, to ensure that the housing stock is maintained and to enable independent living as indicated by the Stock Condition Survey 2017.

## **5.0 POLICY CONTEXT AND CONSULTATION**

- 5.1 The objectives developed support the Council's plan around Our communities and our economy.
- 5.2 Our Communities- Strong, inclusive and attractive
  - Help for those in need
- 5.3 Our Economy- Harnessing Ryedale's unique economy to deliver growth, homes and jobs
  - We want people to live in high quality, safe and sustainable homes
  - We will promote the highest standards of construction and work in partnership to improve energy efficiency and achieve carbon reduction.
  - We will work with landlords to ensure rental accommodation, in particular houses in multiple occupation, comply with the law and follow best practice.
- 5.4 No consultation needed because there are no relevant parties to consult with.

## **REPORT**

### **6.0 REPORT DETAILS**

## 6.1 Flexible Capital programme allocations

- 6.2 For many years RDC has provided funding through the capital programme to support grants and loans offered by the Housing Services Department. However, the impact of the financial assistance that can be offered by RDC has become more limited due to increasing costs of supplies and labour.
- 6.3 The current Private Sector Grant and Loan schemes allow for a measured approach to the financial assistance available to residents in respect of Property Improvement Loans (maximum of £7.5K), Landlord Improvement Loans and Grants (maximum £15K) for Houses in Multiple Occupation (HMO) and empty properties, Energy Efficiency Grants and Home Appreciation Loans.
- 6.4 It is envisaged that with more flexible use of the capital funding this would ensure that the schemes can be utilised more effectively and deliver increased results. The current funding schemes are restrictive in their application due to the specificity of the limits of each of the funding schemes as seen below.
- 6.5 The table below indicates how the grants/loan funding is currently allocated and the proposed allocations going forward – the key change is to allow flexible use of £175k of funding presently divided into three funding programmes (Landlord Improvement Loan/grants, Property Improvement Loan) to be used flexibly across these areas. As the funding is specific to each of the above funding schemes, there is often under spend in the Property Improvement Loan which cannot be used for other schemes.

Type Of Loan/Grant	2020/2021	2021/2022	2022/2023
Home Appreciation Loan	£26k (Regional Pot)	£26k (Regional Pot)	£26k (Regional Pot)
Landlord Improvement Loan and Grant (Empty Property and HMO Loans and Grants)	£50k – (equivalent to 4 loans)	£165k (of which £105k will be carried forward to 2022/23)	£175k including carry forward
Property Improvement Loan	£75k (equivalent to 10 loans)		
Ryedale Energy Savers Scheme	£40k		

## 6.6 Increase the Value of Loans and Grants

- 6.6.1 Due to increases in supply and labour costs the current funding levels of £15K for Landlord Loans and Grants and £7.5K for PILs are insufficient to meet the amount of work that we expected it would in 2012 when the schemes were first launched, therefore they need increasing to the recommended amounts of £15K for PILs and £20K for LILs and LIGs to cover the increased costs.
- 6.6.2 As the funding levels are currently limited for LIGs and LILs to £15K, landlords are reluctant to continue the progress of the works to either upgrade or refurbish their premises to bring them up to the required standards.
- 6.6.3 Also the maximum value of the available loans and grants is no longer sufficient to ensure that homeowners would be attracted to the funding to ensure that properties can be upgraded to a satisfactory level within the current financial climate.

- 6.6.4 During 2016 – 2021 there have been 9 enquiries for Landlord Improvement Grants and Loans, 3 have been completed, 2 withdrawn, and 4 are still open where the Council is still working with the owners to progress with the completion of the financial assistance schemes. 7 of these were on empty properties and 2 of these were HMOs.
- 6.6.5 During the same period there have been 23 Property Improvement Loan enquiries made, 3 were withdrawn, 17 completed (for example new boilers, roof work, security work and drainage (septic tanks)) and 3 are currently in progress. From April 2021 there has been only 1 new enquiry for a Property Improvement Loan, which may be due to the limited funding available to complete any works.
- 6.6.6 By increasing the maximum value of loans but with the overall funding pot staying the same, we will be reducing the amount of loans we are potentially able to offer. As seen above, there are currently no LILs and LIGs enquiries ongoing. As this scheme has never been marketed, officers are unable to assess at this current time whether more funding will be required. We are hopeful that increasing the maximum loan amounts will encourage more enquiries to come forward. If so we will then look to assess whether an increase in the overall funding pot is appropriate.
- 6.6.7 **Recovery of Loans**
- 6.6.8 For many years the Council has offered discretionary grants for improving the condition of the private sector and to support owner occupiers on low incomes. The Council transitioned from offering Home Repair Grants to PILs, LILs and LIGs, once completed a local land charge is placed on the property this enables the funds to be recycled back into the Council's capital receipts on a continuing basis. Either after completion of the repayment period (after 5 or 10 years) or if the property is sold.

## **6.7 Ryedale Energy Savers scheme**

- 6.7.1 The introduction of the Energy Efficiency Grants has assisted in the reduction of Fuel Poverty through the insulation and heating measures that have been made available, with the additional benefit of a reduction of Carbon Dioxide emissions to the District for all properties adapted.
- 6.7.2 A service level agreement was signed between Yorkshire Energy Solutions (YES) and the Council to manage the energy efficiency grant funding. This was relaunched in 2017/18 as the Ryedale Savers Scheme. This scheme is currently still in existence.
- 6.7.3 Since 2017 The Ryedale Energy Savers scheme has installed 50 measures with two in the process of being installed. These measures include cavity wall insulation (1), external wall insulation (2), loft insulation (8), gas boiler replacement (23), LPG boiler replacement (2) oil boiler replacement (4), gas central heating (2), LPG central heating (1), electric storage heaters (6) and other heating (1).
- 6.7.4 The maximum household income eligibility for the above scheme is £21K. Recent communication with Yorkshire Energy Solutions has indicated that there has been a loss of eligible properties due to the applicant exceeding this low income threshold.
- 6.7.5 External funding from the Warm Homes Fund and BEIS indicated the eligibility is based on the Statement of Intent (SOI) where the low income threshold is £30K. The Ryedale Savers Scheme does not use the SOI as a measure for eligibility as it predates the introduction of the SOI which was introduced in 2018. Consequently if the threshold criteria was aligned to the latest Statement of Intent and any future SOI's more

residents would be able to access the above scheme.

## **7.0 IMPLICATIONS**

7.1 The following implications have been identified:

- a) Financial  
There are no direct financial implications to this proposal as the capital funding has been agreed for next financial year and it is this funding which is to be utilised.
- b) Legal  
The report has regard to the legal duties and responsibilities placed on local authorities by legislation such as the Housing Grants, Construction and Regeneration Act 1996. There are no other legal implications.
- c) Other  
Equality and Diversity - The criteria for eligibility for the financial assistance will be reviewed to ensure that it can be targeted to the most vulnerable residents in Ryedale.
- d) Climate Change  
There will be a reduction of CO2 due to the works involved in each of these schemes that would help to improve the thermal efficiency of each property.

## **8.0 NEXT STEPS**

8.1 Since the inception of these schemes back in 2012 there has been no consistent marketing. Consequently, a comprehensive marketing strategy is being developed with the Communications Team to promote the Private Sector financial assistance (loans and grants) that are available to the residents of Ryedale. This marketing strategy will be launched in April 2022.

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### **Background Papers:**

Local Authority Flexible Eligibility Statement of intent

**Background Paper are available for inspection at:**

<https://www.ryedale.gov.uk/resources/local-authority-flexible-eligibility-statement-of-intent-april-2021/>