

DRAFT HOUSING FINANCIAL ASSISTANCE POLICY – APRIL 2014 – MARCH 2017

REPORT OF THE EXECUTIVE DIRECTOR PEOPLE SERVICES

**1. Purpose of Report**

- 1.1 To inform Committee of proposed changes to the Financial Assistance Policy.
- 1.2 To seek Committee's input in to the revision of the Financial Assistance Policy prior to its submission to Cabinet in March 2014.

**2. Background Information**

- 2.1 The Regulatory Reform(Housing Assistance) (England and Wales) Order 2002 (RRO HA 2002), which came into force on 18 July 2002 gives Local Authorities wide powers to provide assistance to private homeowners for repair, renovation and location. The assistance can be done by both grants and loans; offering loans to those who unable to obtain commercial loans by a system of equity release on their property to carry out repairs linked to housing advice for financial assistance.

The RRO gives the Council wide ranging powers to improve living conditions in the city by providing assistance to the private sector for housing renewal. The assistance is based upon arrangements to:

- Tackle poverty
- Promote social inclusion
- Reduce health inequalities
- Repair and improve defective private housing
- Ensure neighbourhoods do not fall into decline

- 2.2 The Council's approach to meeting the requirements of the RRO is set out in its Financial Assistance Policy – copy attached at **Appendix 1**. As well as delivering the regulatory element of housing assistance our policy also includes elements of discretionary assistance so as to create a comprehensive approach to housing assistance for the city. The current policy has been in place since April 2011 and runs out in March 2014. There is a need therefore to review the policy and establish a new policy that reflects current housing policy and the financial position in relation to housing assistance.

### **3. Housing Financial Assistance Policy – Proposed Changes**

3.1 The current Housing Financial Assistance Policy 1 April 2011 – 31 March 2014 sets out the Council's approach to housing assistance and summarises the assistance available from FAP 1 – FAP 19. The proposed changes to the policy are set out below and the rationale for them.

- FAP 1 – Advice and Information - this will be expanded to cover all areas of advice, so the reference to Independent Financial Advice in FAP 3 and Energy Advice in FAP 11 will now be included in here and those references will be removed.
- FAP 2 – Project Management – this will remain unchanged.
- FAP 3 – Independent Financial Advice – to be removed and included in a revised FAP 1.
- FAP 4 – Commercial Loan Product – this to be removed as it is not a loan that would be provided by the Council therefore shouldn't be included.
- FAP 5 – Capital and Interest Free Loan – this will remain unchanged.
- FAP 6 – Home Improvement Equity Loan – this will become an Equity Loan and will include for relocating to a replacement home as well as for home improvements.
- FAP 7 – Interest Free Loans – there will be some changes to the wording and in terms of what the loan can be used for there will be an additional line added in which will assist an applicant to make their contribution towards work funded by a mandatory Disabled Facilities Grant where their costs exceed the maximum limit of £30,000.00.
- FAP 8 – Mandatory Disabled Facilities Grant (DFG) – this will remain unchanged.
- FAP 9 – Discretionary Assistance ( loan or grant for disability related adaptations or relocation) – this will remain unchanged
- FAP 10 – Handypersons' Service – this will remain unchanged.
- FAP 11 – Sunderland Energy Efficiency Programme – this programme has now come to an end as it was reliant on funding from utilities in the main which has now ceased. Warm Front also no longer exists and this product will be removed. Information on Warm Up North to be included instead and what's available under the scheme. The

reference to Energy Advice will be included in FAP 1 as described earlier.

- FAP 12 – Financial Assistance is available for works which will enhance confidence and perception of specific Neighbourhoods within the area – this to be amended to say “specific Neighbourhoods in renewal areas or other designated areas”.
- FAP 13 – Relocation Home Equity Loans – this to be removed and included in a revised FAP 6 – Equity Loans.
- FAP 14 – Homeswap and Homesteading – this to be removed and included for in a revised FAP 12.
- FAP 15 – Empty Homes Assistance – in the cost section the amount of assistance will increase to £75k from £65k.
- FAP 16 – Mortgages – this to be removed as there is an ongoing review of mortgages being undertaken to take account of Government schemes such as Help to Buy and the increasing range of offers from High Street lenders.
- FAP 17 – Bond Guarantee Scheme – this to be removed and included in a new Access to Housing Strategy.
- FAP 18 - Repossession Prevention Fund – funding has come to an end for this so it is to be removed.
- FAP 19 – Mortgage Rescue Scheme – funding has come to an end for this so it is to be removed.
- FAP 19 – Home Security/Target Hardening Assistance – there is a doubt as to whether funding remains available for this so it is likely to be removed.

3.2 Further information on the detail of some of the proposed changes can be provided at the meeting, and Members’ comments and input into the proposed changes are welcomed.

#### **4. Recommendation**

4.1 The Scrutiny Committee is recommended to consider and comment upon the proposed changes to the Housing Financial Assistance Policy and to provide comments on the proposed changes prior to its submission to Cabinet in March 2014.

#### **5. Background Papers**

- Housing Financial Assistance Policy: 1 April 2011 to 31 March 2014

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