

East Herts Council Report

Executive

Date of meeting: 23 November 2021

Report by: Councillor Peter Boylan – Executive
Member for Neighbourhoods

Report title: Proposed East Herts Private Sector Assistance
Policy

Ward(s) affected: All

Summary

- The policy details the way in which the council provides financial and other assistance to owners and occupiers of private sector housing within East Herts.

RECOMMENDATIONS FOR EXECUTIVE:

A. The Proposed Private Sector Housing Assistance Policy be considered and that suggested amendments, additions, deletions and/or clarifications raised by the Executive then be considered by the Executive Member for Neighbourhoods and the Head of Housing and Health *prior* to drafting the final proposed version, and accompanying report, for determination by Council.

1.0 Proposal(s)

- 1.1 It is proposed that a new policy covering Private Sector Housing Assistance is adopted by this Council.
- 1.2 It is proposed that the Executive utilises its power under the council's Constitution to 'review draft strategies' to assist in the drafting of the final revised version to be put to Council for determination in due course.
- 1.3 To seek the Executive's support to put a final version to Council.

2.0 Background

2.1 Article 3 of The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 allows the council to give assistance for home repair, improvement and adaptation however before doing so we must have a published and adopted policy. The council's previous Private Sector Housing Assistance policy was adopted in 2003 and was last amended in 2008.

2.2 Since the last amendment various changes have been made including:

- the establishment of the Hertfordshire Home Improvement Agency (HHIA) and the transfer of Disabled Facilities and Discretionary Disabled Facilities Grant work to the HHIA
- budget reductions that have led to certain grants no longer being given (Houses in Multiple Occupation (HMO) Grants and Decent Homes grants to landlords) and restricted promotion of Decent Homes Grants to owner occupiers
- during budget setting for 2021/2022, an agreement that the council would change to offering loans instead of grants for Decent Homes.

2.3 Key changes to the policy:

- introduction of interest bearing Decent Homes loans to owner occupiers where previously Decent Homes Grants may have been offered
- introduction of a small (up to £1,000) grant for emergency repairs for home owners on certain income related benefits
- removal of grant to landlords for repairs to rental property including HMOs.

2.4 A draft of the policy was considered by the Overview and Scrutiny Committee on 2nd November 2021 at which the Executive Member for Neighbourhoods took a number of questions. Members of the Committee endorsed the policy but requested that the Executive Member consider the following points:

- that reference to the Housing Strategy 2021-2026 be amended as it is yet to be considered by the Overview and

Scrutiny Committee prior to endorse by the Executive and recommendation for approval by Council

- that the use of the term 'grant' being amended to make it clear that some grants are in fact payable by the recipient on disposal of their property.

2.5 The Executive Member for Neighbourhoods welcomed these suggestions and, following subsequent discussion with the Head of Housing and Health, the version of the policy before the Executive has been amended in the following ways:

- the Housing Strategy is now referred to as the **Emerging East Herts Housing Strategy 2021-2026 (due for adoption in early 2022)**
- amendments have been made throughout the policy (including in the glossary) to reference the different products as appropriate, these being:
- a **loan** which means a sum of money advanced by the council on which interest accrues until the loan is repaid. The original loan value and interest will be subject to a charge on the property benefiting from the works funded by the loan. It will need to be repaid, whether from the disposal of the property or by some other means determined by the loan beneficiary or his/her estate
- a **Repayable grant payment** which means a sum of money advanced by the council for which a charge of the property benefiting from the works funded by the loan will be made. The sum of money will need to be repaid in full, whether from the disposal of the property or by some other means determined by the loan beneficiary or his/her estate, unless provision is clearly made at the time the grant is made for any future reduction in the amount payable
- a **Grant** which is a payment from the council with no requirement to repayment the money advanced.

3.0 Reason(s)

3.1 The reason the draft revised policy is being put in front of Executive is that in order to assist in the drafting of the revised policy, it is appropriate and timely that members of the Executive should exercise their functions under the council's Constitution

and in line with the Local Government Act 2000, notably to 'review draft strategies'.

- 3.2 To seek the Executive's support to put the final version to Council.

4.0 Options

- 4.1 In exercising its power the Executive has the option to:

- signal its contentment with the Policy as currently drafted. If this approach is taken, this will be relayed to Council when it considers the final draft version or
- suggest amendments, additions, deletions and/or clarifications to the report. If this approach is taken, all such suggestions will be considered by the Executive Member for Neighbourhoods and the Head of Housing and Health and will either be incorporated into the final draft or brought to the Council's attention as being the views of the Committee in accompanying report to the final draft version put to Council in due course or
- consider that there is an insufficient case for the policies, whether amended or not, to be put to Council for determination. If this approach is taken, the Executive should make their rationale for this approach explicit so that the Executive Member for Neighbourhoods and the Head of Housing and Health can assess whether to desist from putting the policy to Council in its current form or to proceed to determination by Council in which case the Committee's views would be included in the accompanying report.

5.0 Risks

- 5.1 Overwhelming interest in the scheme that the council cannot satisfy; this risk appears unlikely due to the number of grants issued in previous years. The impact of this would be moderate and may result in the lack of ability to provide the service effectively.
- 5.2 The risk of fraud is thought to be low and can be mitigated through the application process. Asking for financial and personal

information in order to verify eligibility will allow the council to assess applicants as part of the means testing process.

5.3 There would be implications if we did not have a policy that sets out the assistance we can provide to residents in private sector housing. Vulnerable residents in the district would be more likely to live in homes in disrepair without the means to repair housing hazards. This would have knock on health implications for these vulnerable households.

6.0 Implications/Consultations

6.1 Consultation carried out from Monday 23 August - Sunday 19 September.

6.2 Following review from Overview and Scrutiny Committee, clarification that the East Herts Housing Strategy 2021-2026 is a proposed strategy has been made.

Community Safety

No

Data Protection

No

Equalities

An equalities impact assessment will be undertaken prior to consideration by Council. Initial consideration of an acceptable product under sharia law is currently is currently underway along with the detailed terms of any loan or grant.

Environmental Sustainability

Yes – the benefit of improvements to private properties are referred to in the policy itself.

Financial

Home improvement grants and loans are both classified as Revenue Expenditure Financed as Capital Under Statute (REFCUS) so they are included in the capital and are currently financed by a charge to the revenue account. The change to loans means that over time, when properties are sold, the council will receive back the loan plus interest

which is classified as a capital receipt and can only be used to finance capital expenditure or repay debt. Over time the home improvement grant funding will become predominately revolving funds lowering the annual revenue cost to the council. As the loan and interest are secured as a charge on the property and only become due when the property is sold, there is no overhead in monitoring and chasing debt payments and there is no debt balance in the balance sheet. The vast majority of local authorities in England have changed over to loans in the last decade so the council is not out of step making this change and the recycling of funds in this way ensures that the council can continue to provide assistance to owner occupiers.

With the need to make revenue savings over the medium term there is a risk that this budget could have been reduced but by changing over to loans this sets a path for this budget to be reduced as the capital receipts become a circular funding source in the future. Experience elsewhere indicates that it will be approximately 5 years before receipts start to be returned to the council but after that time the proportion of annual funding being replaced by capital receipt grows to between 50% and 75%.

Health and Safety

Improvements to the private properties that will consequently improve the risk ratings of properties are covered in the policy itself.

Human Resources

No – no implications

Human Rights

No – no implications unless equalities issues are not able to be overcome.

Legal

The council has the legal ability to provide loans as opposed to grants.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 **Appendix A** – East Hertfordshire District Council Draft Private Sector Housing Assistance Policy

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