

REPORT OF THE
STRATEGIC DIRECTOR PLACE

TO
THE STATUTORY DEPUTY CITY MAYOR &
LEAD MEMBER FOR HOUSING

ON
15th DECEMBER 2020

TITLE: FINANCIAL ASSISTANCE FOR OLDER AND VULNERABLE CLIENTS
- EXTENSION TO EXEMPTION PERIOD

RECOMMENDATIONS: That Lead Member approves

1. An extension to the exception granted by Lead Member on 26th June 2020 to provide financial assistance to all qualifying applicants through the Private Sector Housing Assistance Policy (PSHAP), within the limits of the capital budget allocation until 1st January 2021. An extension of 6 months is requested to 1st July 2021.
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EXECUTIVE SUMMARY:

On 26th June 2020 Lead Member approved an exception to the Private Sector Housing Assistance policy to allow the council to continue to provide financial assistance to elderly and vulnerable clients to facilitate home improvements, due to the current provider giving notice of contract termination.

The pressing matter highlighted in the initial report was for the Council to agree an “interim” solution to deal with new applications for loans made under the PSHAP, which would allow the Council to continue to provide financial assistance to elderly and vulnerable residents to carry out home improvements allowing them to remain living in their property safely. A new application process and procedure has been put in place, a grant funding agreement and application form have been drafted and will be ready for use from 1st January 2021.

In order to address the delays encountered in getting to where we wanted to be at this point, due to Covid-19 and remote working with a number of partners an extension until 1st July 2021 is requested. This will provide additional time required to progress advanced cases through the new process and allow for an evaluation of this to be conducted and fed back to Lead Member at the end of the extension period.

BACKGROUND DOCUMENTS: Briefing note, City Issues note, Lead Member report 26th June 2020, Private Sector Housing Assistance Policy (PSHAP)

KEY DECISION: NO

DETAILS:

1.0 Activity during exception period

- 1.1 The immediate impact of Street UK Homes (SUK) terminating its contract with the Council (effective from 19 June 2020), is that the Council has been left without a mechanism to service applications for new Council PSHAP loans to clients. However, during the exception period the Home Improvement and Assistance (HIA) service has continued to progress applications to ensure maintained service provision to our client base. The service now has several cases to take forward once the new documentation needed to complete the new application process have been finalised.
- 1.2 Disable Facilities Grants (DFG's) rely on the provisions of the Council's PSHAP to administer top-up funding applications to assist a client to meet the full cost of a much-needed adaptation. This service has also been progressing applications as far as possible during the exception period awaiting the new documentation required to continue with service delivery.
- 1.3 Working with colleagues in Legal Services and DWF Consultants several documents have now been drafted which will allow applications to be completed and grant funding secured as a legal charge against the property. The documents that have been drafted to protect the council's interest are;
 - Home Improvement and Assistance Application Form (Appendix 1)
 - Home Improvement and Assistance Grant Funding Agreement (Appendix 2)
 - Home Improvement and Assistance Legal Charge (Appendix 3)
- 1.4 With regard to the historic PSHAP Loans that SUK undertook on behalf of the Council, SUK continue to manage these loans and will do so until an agreement has been reached on the transfer process. Following an initial review of the current PSHAP Loans along with legal advice from DWF in relation to current consumer credit legislation, it found that the majority of the existing Council PSHAP loans can be taken back "In-House" by the Council. A draft 'Transfer Agreement' has been circulated and it is anticipated that both parties will agree the terms within the next two weeks which will

ensure the orderly return of the portfolio back to the council before the end of this financial year.

2.0 Next steps

- 2.1 Although good progress has been made during the exception period approved by Lead Member back in June, a further extension is requested to enable the service to provide direct financial assistance (DFA) in the form of a grant with conditions as outlined in the above Section of this report. An extension to the exception to the Private Sector Housing Assistance Policy (PSHAP) is sought for a further 6 months. A 'Grant Funding Agreement' will be entered into between SCC and an individual SCC resident with a 'Legal Charge' registered against the property for a defined period. The number of years that the charge will be registered for will vary depending upon the value of the grant.
- 2.2 All other current policy limitations on assistance, maximum loan values, conditions and eligibility criteria, will remain in place. An extension will allow time for proper consideration of, and consultation regarding any proposals which require the PSHAP to be permanently amended to offer new products and/or alter existing eligibility criteria. Any proposed changes to the PSHAP will need tabled for formal approval in the appropriate manner.
- 2.3 The opportunity to consult has been restricted due to COVID. It is intended that this will now be undertaken in the new year with all relevant stakeholders, to identify demand and match the best fit products to meet such demand. This will provide the Council with clarity around what products it would want to make available through PSHAP. A full report will be brought to Lead Member at this stage for consideration, including details of delivery mechanisms and any procurement process that would be required.

3.0 Conclusion

- 3.1 The Private Sector Housing Assistance Policy (PSHAP) provides Lead Member discretion to approve exceptions to policy. The exception proposed is the discretion to approve direct financial assistance (DFA) in the form of a grant to a property owner. Any such grant funding will be secured on the land registry title of the property with a time restriction for a defined number of years, during which time any change of title would require the grant to be repaid to the council.
- 3.2 Due to COVID the service has not been able to progress arrangements at the pace originally anticipated. An extension of the exception to policy will provide council officers the time required to carry out meaningful consultation with our stakeholders. It will also afford the opportunity to advance the service provision and address any changes in demand to best reflect client need going forward.
- 3.3 The other aspect of the contract with SUK is the management and administration of the existing loan portfolio. A report will be presented to Lead Member and the City Mayor at a future stage detailing how the existing loan portfolio is to be administered going forward.

- 3.4 An update will be provided for customers outlining interim measures approved during the exception extension period. All current loan values, conditions and eligibility criteria will remain in place for the duration of the exception period.
- 3.5 It is recommended that Lead Member approves an extension of the exception to policy as proposed in this report to allow appropriate officers to continue to provide financial assistance to elderly and vulnerable residents for a fixed period.

KEY COUNCIL POLICIES: Private Sector Housing Assistance Policy (PSHAP)

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS:

This Report complies with the council's Equality and Diversity procedures.

ASSESSMENT OF RISK: Low

LEGAL IMPLICATIONS Supplied by:

Commercial: The contractual arrangements between the Council and SUK have been longstanding and consumer credit legislation has evolved over this period so that most loans to individuals are now "regulated activities" that can only be carried out by FCA authorised bodies. There are a limited number of Local Authority "exemptions" which enable Local Authorities to enter into certain forms of financial arrangements with individuals without requiring FCA Authorisation. Given the complexity of current consumer credit legislation and the FCA regulatory regime, the Council has sought specialist legal advice from DWF regarding its "historic" PSHAP Loans which have been entered into by SUK on behalf of the Council and new applications for PSHAP Loans which the Council has received since SUK exercised its right to terminate its contract with the Council in 19th June 2020. With regard to new applications for PSHAP Loans, the Council proposes that a change is made to the current PSHAP so that, in place of the "regulated Loans" that SUK offers, the Council will enter into repayable Grants in a form that complies with the relevant "LA" exemptions: Kathryn Saldanha

FINANCIAL IMPLICATIONS Supplied by:

Natalie Birchall, ext 2316

The proposal to provide direct financial assistance in the form of a grant with conditions, will be funded from the approved Place, Home Improvement Agency capital programme.

The conditions would be that such assistance would be subject to a grant condition period of up to 20 years, during which time the grant would be required to be paid

back to the council if the property had a change in ownership.

PROCUREMENT IMPLICATIONS Supplied by:

Emma Heyes, Category Manager, x6243

There are no immediate procurement implications for this report for an exception to the change the PSHAP for the Council to provide direct financial assistance to residents, whilst future options are considered for a longer-term solution.

In due course the procurement team will continue to provide advice and assistance to the HIA team, to review those future options and market appraisal to replace the service provided by Street UK.

Any future procurement process should comply with the requirements of Contractual Standing Orders.

HR IMPLICATIONS Supplied by: N/A

CLIMATE CHANGE IMPLICATIONS Supplied by: N/A

OTHER DIRECTORATES CONSULTED: People Directorate

CONTACT OFFICER: Caren Green TEL NO: 0161 793 2835

WARDS TO WHICH REPORT RELATES: Citywide