

REPORT OF STRATEGIC DIRECTOR PLACE

**TO
LEAD MEMBER FOR HOUSING
ON
20TH DECEMBER 2022**

TITLE: Extension to interim arrangements to deliver assistance through the Private Sector Housing Assistance Policy (PSHAP)

RECOMMENDATIONS: That Lead Member approves

An extension to the interim arrangements currently in place to facilitate delivery of assistance through the Private Sector Housing Assistance Policy (PSHAP) from 31st December 2022 until 31st March 2023, which will allow the policy to continue to provide financial assistance to all qualifying applicants within the limits of capital budget allocation.

EXECUTIVE SUMMARY:

On 15th December 2020 Lead Member approved an exception to the Private Sector Housing Assistance Policy (PSHAP), to provide grant assistance as an interim measure in the absence of a new financial offer. This has allowed continued service delivery to support our elderly and vulnerable residents to live independently in their own homes. The exception was granted until the end of December 2022, a short extension of this exception until the end of March 2023 is now requested for reasons outlined in this report.

Unfortunately, it has not been possible to bring forward proposals for permanent alternative PASHAP arrangements before the expiry of the interim PSHAP arrangements as agreed by Lead Member. A full review of the current Private Sector Housing Assistance Policy (PSHAP 2014) has been undertaken, and the new PSHAP (PSHAP 2023) is in the final stages of amendments. The review and amendment of PSHAP 2014 has required detailed discussion, amendments and sign-off by the services responsible for delivery of the various types of assistance detailed in PSHAP 2014.

An extension to the interim PSHAP arrangements until 31 March 2023 is now being sought to facilitate the formal approval process for PSHAP 2023, including presenting

recommendations to Lead Member and City Mayor approval for the proposed changes in service delivery within PSHAP 2023 to provide a long-term service provision solution.

BACKGROUND DOCUMENTS: Lead Member report 15th December 2020, Private Sector Housing Assistance Policy (PSHAP) 2014

KEY DECISION: NO

DETAILS:

1.0 Review of PSHAP 2014

- 1.1 Since 2004, the Council's Private Sector Housing Policy (PSHAP) has provided support for our most vulnerable residents in the City. In 2007 the Council's PSHAP introduced loan products as a means of providing financial assistance. In July 2014 the delivery model changed and the Council's PSHAP service was outsourced to StreetUK Homes Ltd (SUK) with the existing Council PSHAP loan portfolio at the time being absorbed by them.
- 1.2 Since then SUK have terminated their contract arrangement with the Council and the existing Council PSHAP loan portfolio has transferred back to the Council from SUK and is now administered by the Council. The immediate impact of SUK terminating their contract with the Council (effective from 19 June 2020), was that it left the Council without a mechanism to service applications for new Council PSHAP loans to clients.
- 1.3 This inability of the Council to deal with new applications for PSHAP assistance at the time led to a request to Lead Member for approval to provide interim arrangements to allow continuity of the Council's PSHAP service without adversely affecting service provision and our client base.
- 1.4 The Home Improvement Assistance service (HIA) provides financial assistance to some of our most vulnerable and elderly residents, where discretionary assistance under the Council's PSHAP is offered as an alternative to prevent people seeking financial solutions from loan sharks and high interest lenders to reduce financial hardship.
- 1.5 Disabled Facilities Grants (DFG's) rely heavily on the availability of discretionary financial assistance under the Council's PSHAP to assist clients to meet the full cost of a much-needed adaptation. This service will be unable to move new or existing cases forward without clarity on what an alternative Council PSHAP offer will be.

1.6 The Council's PSHAP provides Lead Member discretion to approve exceptions to the Policy. The exception proposed is to extend the discretion period approved for the Council to continue to provide direct financial assistance (DFA) in the form of a grant to a property owner until 31 March 2023. Any such PSHAP grant funding will be secured on the land registry title of the property with a time restriction for a number of years, during which time any change of title would require the PSHAP grant to be repaid to the Council. The views of finance have also been sought on this and they are supportive of this approach.

1.7 An initial briefing was provided to Lead Member to summarise the background to the issues in relation to the Council's PSHAP and sought the Lead Member's views regarding potential ways forward. Lead Member expressed support for the development of an interim measure to allow time to seek a longer-term solution for the Council's PSHAP. This has provided continuity of service for both the Home Improvement Assistance service and Specialist Housing Services while protecting the interests and needs of service users.

2.0 Review of the Private Sector Housing Assistance Policy (PSHAP)

2.1 Consultation with relevant stakeholders has been undertaken to identify service demand to match with products that the Council would want to make available under its revised PSHAP (PSHAP 2023) at the end of the exception to the PSHAP period. An informal briefing has been had with Lead Member at each stage for consideration, including details of delivery mechanisms and any procurement process that may be required, most recently, on 21st November 2022. These discussions included the timings required for the approval and subsequent adoption of a revised Council PSHAP 2023.

2.2 PSHAP 2023 is now being finalised and a detailed report along with the PSHAP 2023 revised document will be submitted in January 2023 for approval and implementation. The requested implementation date for PSHAP 2023 is 1st April 2023, subject to approval.

3.0 Conclusion

3.1 A short extension of the current exception to the PSHAP policy period from 31 December 2022 to 31 March 2023 will allow time for the formal approval process for the adoption of PSHAP 2023 to be followed including any call-in periods. The proposed implementation date for PSHAP 2023 is 1st April 2023, subject to approval.

3.2 Simplifying the Council's PSHAP product/s and process has improved the application process ensuring improvement work can be undertaken in a timelier manner so residents are able to live independently for longer in their own homes whilst reducing demand on other scarce resources.

- 3.3 An update will be provided for customers outlining interim measures approved during the extended PSHAP exception period. All current loan values, conditions and eligibility criteria will remain in place for the duration of the extended exception period.
- 3.4 It is recommended that Lead Member approves an extension of the current PSHAP exception from 31 December 2022 to 31 March 2023 as proposed in this report to allow appropriate officers to continue to provide financial assistance to elderly and vulnerable residents for a fixed period.
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KEY COUNCIL POLICIES: Private Sector Housing Assistance Policy (PSHAP) 2014

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 - Kathryn Saldanha

The contractual arrangements between the Council and SUK had been longstanding and over that time consumer credit legislation evolved so that most loans to individuals were "regulated activities" that could 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.

The contractual arrangements between the Council and SUK have now ended and the Council's PSHAP loan portfolio has been transferred from SUK back to the Council. The Council's PSHAP loan portfolio is now being administered by the Council.

The Council has reviewed and amended its current PSHAP 2014 and will be bringing its new PSHAP 2023 forward for approval in January 2023.

With regard to applications for PSHAP loans since the termination of the arrangement with SUK, the Council made a change to its PSHAP 2014 so that, until 31 December 2022, in place of the "regulated loans" that SUK offered, the Council entered into repayable Grants in a form that complied with the relevant Local Authority exemptions. This report seeks an extension to those interim PSHAP arrangements for a three-month period until 31 March 2023 pending the adoption of the Council's new PSHAP 2023 which will provide a longer-term service provision solution.

FINANCIAL IMPLICATIONS Supplied by: Paul Guest – Senior Accountant
(09/12/2022)

This proposed extension to the interim arrangements currently in place to deliver assistance to homeowners through the Private Sector Housing Assistance Policy, in the form of a grant with conditions, will be funded from the approved Place, Home Improvement Agency capital programme.

The grant conditions would include a land registry charge being placed upon the property for a period of up to 20 years, during which time the grant would be required to be paid back to the council if the property has a change in ownership.

PROCUREMENT IMPLICATIONS Supplied by:

Emma Heyes, Category Manager, x6243

There continues to be no immediate procurement implications for this report for an extension to the exception to change the PSHAP.

Should there be any future procurement process relating to this project, this should be undertaken in compliance with the requirements of Contractual Standing Orders.

The procurement team will continue to provide support as and when.

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

Table 1 – Action Plan Timetable

Project	Home Improvement and Assistance		
Document	Action Plan Timetable		
Date	30/07/2021		
Actions	Start Date(s)	End Date(s)	Lead
Intermediate approvals			
Prepare legal documents	01 September 21	31 December 21	
Progress to Start on Site (SOS)	01 December 21	ongoing	
Completion of work (PC)	01 April 22	ongoing	Case Officer
Evaluation of process	01 April 22	30 June 22	Case Officer
Feedback from clients	01 April 22	30 June 22	Case Officer
Historic loan portfolio			
Progress contact termination	ongoing	31 October 21	Caren Green
Transfer all accounts in-house	ongoing	31 October 21	Caren Green
Inform all clients of changes	01 October 21	31 October 21	Case Officer
Report to Lead Member	01 December 21	31 January 22	Case Officer
Consultation with Stakeholder			
Devise consultation document	01 October 21	30 November 21	Caren Green
Circulate consultation document	01 December 21	28 February 22	Caren Green
Consultation with service users	01 January 22	31 March 22	Case Officer
Consultation with DFG service	01 February 22	30 April 22	Case Officer
Consultation with Helping Hands	01 March 22	30 April 22	Caren Green
Evaluation of consultation	01 May 22	01 June 22	Caren Green
Private Sector delivery options			
Soft market test products	01 January 22	28 February 22	Case Officer
Options appraisal	01 March 22	30 April 22	Case Officer
Evaluation of findings	01 May 22	01 June 22	Caren Green
Reports for formal approval			
Draft report to SM	01 July 22	31 August 22	Caren Green
Draft report to Lead Member	01 October 22	31 November 22	Caren Green
Implementation of decision			
Prepare procurement timetable (subject to recommendations)	01 December 22	N/A	Caren Green
PSHAP amended and approved	01 December 22	1 March 2023	Caren Green
Publicise new scheme details	01 December 22	31 March 2023	Caren Green