

**NORTH LINCOLNSHIRE COUNCIL**

**HOUSING AND STRATEGIC PLANNING  
CABINET MEMBER**

**REGIONAL LOANS SCHEME**

**1. OBJECT AND KEY POINTS IN THIS REPORT**

- 1.1 To seek approval for the council to join a regional scheme to offer home improvement loans.
- 1.2 The key points in this report are:-
- The Yorkshire and Humber Regional Housing Loans Scheme is complementary to home improvement loans already offered by the council.
  - The Regional Loans Scheme is funded by the Regional Housing Board.
  - The potential for home loans to improve the conditions of private sector housing was established by a house condition survey carried out in North Lincolnshire in 2003.

**2. BACKGROUND INFORMATION**

- 2.1 The government gave councils the power to offer assistance to homeowners in any form in order to improve housing standards under the Housing Regulatory Reform Order 2002.
- 2.2 Poor quality housing has an adverse effect on health, safety and well-being. Some homeowners need help to keep their homes safe and in good repair.
- 2.3 At present the council's home improvement policy offers a variety of loans and grants to homeowners.
- 2.4 The government is keen to see public funds recycled as loans rather than paid as one-off grants.
- 2.5 To that end the Government Office for Yorkshire And Humber is promoting a regional loans service to help homeowners to carry out repairs and improvements. The Regional Housing Board has provided a budget of £5m for the scheme.

- 2.6 Called Home Appreciation Loans, they are secured loans that allow homeowners to release equity from their homes to carry out repairs and improvements. The loans are not repayable until the house is sold or ownership transferred.
- 2.7 The loans are administered via Sheffield City Council and over the past 12 months it has completed 34 loans in South, West and North Yorkshire. Councils in the Humber sub-region can join the scheme at no cost and the other three local authorities have indicated their intention to do so.
- 2.8 The council now employs a home loans officer with appropriate financial qualifications and experience who can explain fully all relevant options to individual householders.
- 2.9 The Yorkshire and Humber Regional Loans Service would offer loans that are complementary to those the council already offers via the Home Improvement Trust.
- 2.10 To access the Regional Loans Scheme the council would need to delegate the making of payments of loans under the scheme as part of the North Lincolnshire Home Improvement Policy to Sheffield City Council.

### **3. OPTIONS FOR CONSIDERATION**

- 3.1 Option 1 - to join the Yorkshire and Humber Regional Housing Loans Scheme.
- 3.2 Option 2 - not to join the Regional Loans Scheme.

### **4. ANALYSIS OF OPTIONS**

- 4.1 Option 1 – Joining the scheme would allow householders in North Lincolnshire access to another source of public funds for home improvements. This represents the preferred option.
- 4.2 The Home Improvement Team already offers loans and would be able to give full information on options available, determine individual eligibility for each scheme and provide on-going client support.
- 4.3 The uptake of such loans is likely to be limited in the current economic climate.
- 4.4 Option 2 – This would mean the council would be dependent on using its own resources to lever in loan funding.

## **5. RESOURCE AND OTHER IMPLICATIONS**

### **5.1 Financial**

5.1.1 The cost of the Regional Loans Scheme is being funded by the Regional Housing Board and there are no direct financial implications for the council.

### **5.2 Staffing**

5.2.1 The Home Improvement Team already promotes a variety of forms of financial assistance and has the expertise to be able to offer information and assistance to individual households. There will be no significant impact on the workload of the team if the council joins the Regional Loans Scheme.

## **6. OTHER IMPLICATIONS**

6.1 Home improvement loans are one way of helping sustain existing housing and reducing their environmental impact by including energy efficiency measures as part of improvement works.

6.2 Loans are of most use to households who have a low level of debt compared with the value of their home. Older people are more likely to have lived in their home for a long time and have a lower mortgage debt. For this reason loans are especially suitable for older households.

## **7. OUTCOMES OF CONSULTATION**

7.1 The Humber Housing Partnership, consisting of the four local authorities, registered social landlords and other interested parties have been involved in discussions about the Regional Loans Service. The recommendation of the private sector housing group of the Humber Housing Partnership is that all councils should join the Regional Loans Scheme.

7.2 The council commissioned a private sector house condition survey in 2003 that clearly identified the potential for home loans as a means of housing improvement in North Lincolnshire. A similar survey is currently underway and is due to report in 2009.

## **8. RECOMMENDATIONS**

8.1 That North Lincolnshire Council joins the Yorkshire and Humber Regional Loans Scheme.

8.2 That Sheffield City Council, as the responsible body for the Yorkshire and Humber Regional Loans Service, be authorised to provide home loans in North Lincolnshire

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**Background Papers used in the preparation of this report**  
Sheffield City Council – Home Appreciation Loans