

**PWYLLGOR CRAFFU – CYMUNEDAU**  
**DYDDIAD: 11 MAI, 2018**

**PWNC:**  
**NEWID I'R POLISI ADNEWYDDU TAI Y SECTOR PREIFAT**

**Y Pwrpas:**

Newid y Polisi Adnewyddu Tai y Sector Preifat i adlewyrchu'r newidiadau yng nghynllun Benthyciadau Gwella Cartrefi a chynllun Troi Tai'n Gartrefi Llywodraeth Cymru.

**Ystyried y materion canlynol a chyflwyno sylwadau arnynt:**

- Argymhell i'r Bwrdd Gweithredol mabwysiadu'r meini prawf diwygiedig cynllun Benthyciadau Gwella Cartrefi a chynllun Troi Tai'n Gartrefi Llywodraeth Cymru.

**Y rhesymau:**

- Mae Llywodraeth Cymru wedi newid ei chynllun Benthyciadau Gwella Cartrefi a'i chynllun Troi Tai'n Gartrefi i roi mwy o hyblygrwydd i awdurdodau lleol o ran sut y maent yn gwario'r cyllid a ddyrannwyd.
- Parhau i fanteisio ar y cyllid, bydd angen i ni ddiwygio ein hymagwedd.

Angen cyfeirio'r mater at y Bwrdd Gweithredol / Cyngor er mwyn gwneud penderfyniad:

**Angen i'r Bwrdd Gweithredol wneud penderfyniad**

OES – 4 Mehefin, 2018

**Angen i'r Cyngor wneud penderfyniad**

NAC OES

**YR AELOD O'R BWRDD GWEITHREDOL SY'N GYFRIFOL AM Y PORTFFOLIO:-**

Y Cyngorydd Linda Evans (Deiliad Portffolio Tai)

Y Gyfarwyddiaeth:  
Cymunedau

Enw Pennaeth y  
Gwasanaeth: Jonathan  
Morgan

Awdur yr Adroddiad:

Rob Evans

Swyddi:

Pennaeth Dros Dro Cartrefi a  
Chymunedau Mwy Diogel

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**EXECUTIVE SUMMARY**  
**COMMUNITY SCRUTINY COMMITTEE**  
**DATE: 11<sup>TH</sup> MAY, 2018**

**SUBJECT;**  
**AMENDMENT TO THE PRIVATE SECTOR RENEWAL POLICY**

**Purpose**

The purpose of this report is to seek approval to amend the Private Sector Renewal Policy to reflect changes with the Welsh Government's Home Improvement Loan and Houses to Homes schemes.

**Context**

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gave local authorities more wide ranging powers to offer financial assistance. Each Authority had to publish a Private Sector Housing Renewal Policy outlining the support and assistance that it will provide.

The Council's Private Sector Housing Renewal Policy was adopted in 2006. The approach at the time introduced the concept of providing loans for critical improvements to the owner occupier's home where they were unable to access or couldn't afford any other forms of recognised finance.

In 2013 the Private Sector Housing Renewal Policy was amended to offer loans to owners of empty properties in accordance with the Welsh Government's **Houses to Homes scheme**. Welsh Government encouraged Local Authorities to work collaboratively within regions and Carmarthenshire acted as regional lead for the Mid and West Wales region.

In Carmarthenshire we have administered £1.3m of loans for owner of empty properties. These are short term loans, either over a 2 or 3 year period and are to be repaid as a lump sum at the end of the loan term. These loans were based on the free equity within the property and secured as a charge with the Land Registry.

In 2015 the Welsh Government launched a **Home Improvement Loan scheme** and Carmarthenshire was awarded £625,000 in funding. A further £625,000 was provided for the Houses to Homes Scheme.

The Home Improvement Loans scheme is a monthly repayment loan over a maximum term of 10 years for owner occupiers or five years for landlords but this scheme is dependent on the homeowner being able to afford the monthly repayments. These loans are secured against the owner's property with the Land Registry and are subject to the applicant being subject to an affordability check. The Private Sector Housing Renewal Policy was further amended in 2015 to take account of these changes.

## What are we proposing?

Whilst there has been a good take up in relation to the Houses to Homes Scheme, local authorities reported far less take up in the Home Improvement Loan Scheme.

In February 2018 Welsh Government reviewed the criteria around House to Homes and Home Improvement Loans schemes to give authorities greater flexibility on how they use the funding provided.

The total funding awarded to each Local Authority will now be pooled together (£1.25m in Carmarthenshire's case) and can be used to support all forms of financial assistance for homeowners to maintain their home.

In allowing authorities to do this, Welsh Government have revised the criteria for some forms of assistance and we need to ensure our Renewal Policy reflects these changes.

### House to Homes

1. Landlords can now apply for £250,000 per application - £25,000 per property for up to 10 properties. Once repaid the applicant can apply for further funding. Previously this was £150,000 - £25,000 per property for up to 6 properties.
2. The loan term has been extended from 2 and 3 years:
  - a. Up to a maximum of 2 years if the intention is to sell the property following the works. The loan is repayable in full either at the point of sale or at the end of the 2 year loan term, whichever is the sooner.
  - b. Up to a maximum of 5 years if the intention is to rent the property following the works.
  - c. Up to a maximum of 10 years if the intention is to rent the property at the affordable Local Housing Allowance (LHA) rates following the works, with up to a 10 year commitment for Local Authority tenant nomination rights.

### Home Improvement Loans

The original scheme was reliant on applicants being able to afford monthly repayments. If the applicant failed the affordability check they did not qualify for assistance under this scheme.

The intention under the revised scheme is to offer loans and assistance on the following basis:

1. Home Improvement Loan –The first stage will be to consider applicants for a repayment loan. This will be offered on a monthly basis for a fixed term of up to 10 years, subject to the applicant passing an affordability check.

2. Property Appreciation Loan –If applicants cannot afford monthly repayments consideration will be given if they have free equity within the home. There will need to be a minimum of 30% free equity within their property and the loan is repaid when the property changes ownership.
3. Owner Occupier Repayable Financial Assistance – If applicants are unable to service a loan and do not have sufficient equity they will be offered financial assistance which will also be repaid upon the sale of the property. This would replace our current Home Improvement and Emergency Repairs Assistance which currently takes the form of a grant and is repayable if the property is disposed of within 10 years. By introducing lifetime repayment conditions the funding will be able to be recycled to assist those in greatest need.

**To recommend to Executive Board:**

1. To adopt Welsh Government's revised Home Improvement Loan and Houses to Homes scheme criteria.

**DETAILED REPORT ATTACHED?**

**No**

## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Jonathan Morgan

Acting Head of Homes & Safer Communities

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>YES</b>	<b>YES</b>	<b>YES</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>

### 1. Policy, Crime & Disorder and Equalities

Adopting the Welsh Government's scheme will provide us with greater flexibility in utilising the funding provided and allow the Council to assist more homeowners to maintain their homes which currently present a risk to the health and wellbeing of the occupants.

### 2. Legal

Council's solicitors were consulted on the original scheme and the amended scheme retains the need for the applicants to accept a land charge or a full legal charge being registered against their property. There is already an established process in place to register these charges.

### 3. Finance

The funding for this scheme has been received by the Authority in previous years. We will amend our approach in line with the new Welsh Government's proposals.

### 5. Risk Management Issues

All loans are secured against the property and there is already agreed processes and procedures in place with debtors and legal to ensure that agreed repayments are being met.

## CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: Jonathan Morgan Acting Head of Homes & Safer Communities

1. Local Member(s) - N/A
2. Community / Town Council – N/A
3. Relevant Partners - N/A
4. Staff Side Representatives and other Organisations - N/A

#### Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection
Regulatory Reform (Housing Assistance) (England and Wales) Order 2002		<a href="http://www.legislation.gov.uk/ukxi/2002/1860/made">http://www.legislation.gov.uk/ukxi/2002/1860/made</a>
CCC Private Sector Housing Renewal Policy 2006		<a href="http://online.carmarthenshire.gov.uk/agendas/eng/COCO20060412/index.asp">http://online.carmarthenshire.gov.uk/agendas/eng/COCO20060412/index.asp</a>
Report to Executive Board – 13 <sup>th</sup> July, 2015 – Welsh Government's Home Improvement Loan Scheme (Item 3)		<a href="http://online.carmarthenshire.gov.uk/agendas/eng/EXEB20150713/index.asp">http://online.carmarthenshire.gov.uk/agendas/eng/EXEB20150713/index.asp</a>