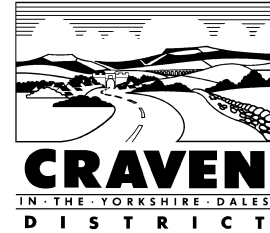


Policy Committee – 7th June 2016

ENERGY REPAYMENT LOANS



Report of the Director of Services

Lead Member: Richard Foster

Ward(s) affected: ALL

1. Purpose of Report

To seek approval from Members to expand Sheffield City Council's administration of the Regional Home Appreciation Loan on behalf of the Council to also include the Regional Energy Repayment Loan scheme.

2. Recommendation

Members are recommended to:

- 2.1 Discharge the Council's function of administering Energy Repayment Loans to the Executive of Sheffield City Council
- 2.2 Approve the amendment of the Craven Housing Renewal Policy to include provision of Energy Repayment Loans

3 Discharge the Council's function of administering loans

- 3.1 Under the provisions of the Local Government Act 2000 and the Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 the Council are able to discharge certain administrative functions to other organisations/local authorities.
- 3.2 Since 2005/06 over £7m of loan funding across Yorkshire & Humber has been provided by the government for the Regional Home Appreciation Loan (HAL) scheme.
- 3.3 The Regional Housing Board appointed Sheffield City Council as the fund-holder and loan administrator on behalf of the 21 Yorkshire & Humber local authorities. Each local authority was required to obtain approval to discharge this administrative function to Sheffield City Council.
- 3.4 Although no new funding has been received from government since 2010, the value of loans redeemed over the years has built up to enable further small loans to be advanced across the region. The proposed allocation for Craven is in the region of £ 23,000.
- 3.5 The Regional Loans Board have worked closely with Sheffield City Council and developed an affordable Energy Repayment Loan (ERL) which complements and supplements other energy efficiency measures available through other routes.

- 3.6 The anticipated date for the commencement of the ERLs is August/September 2016 when all permissions are in place and Sheffield City Council is ready to “go live” with the scheme.
- 3.7 In order not to delay commencement of the ERL scheme approval is required to extend the original approval by the Performance and Resources Committee in June 2006 which allowed Sheffield City Council to administer the Regional Home Improvement Loans (HAL) on our behalf. See [Appendix A: Declaration of approval](#)

4 Energy Repayment Loans (ERL)

- 4.1 The purpose of the loan is to help tackle Excess Cold and Fuel Poverty across the region. Excess cold is one of the most common reasons for failure of the decency standard, and which contributes most significantly to ill health and costly fuel bills, particularly for the most vulnerable.
- 4.2 For the first time since the launch of the Warm Front heating and insulation grant in 2000 (now finished), there will be no national scheme in England to support vulnerable households. Working with Better Homes Yorkshire Craven residents who meet strict qualifying criteria are able to access advice, support and grants. Please refer to the Council’s webpage [“How to make your home energy efficient”](#) for more information.
- 4.3 Despite the initiatives, the concern is that a significant number of vulnerable home owners will still be unable to take full advantage of or afford the assistance now on offer through various agencies.
- 4.3.1 **Efficiency Repayment Loan Scheme (ERL):**
ERL provides interest free loans to homeowners up to £3,000, repayable in monthly instalments over 1 to 5 years, for works to address some form of energy efficiency improvement. Applicants must be on an income-related benefit **and/or** be aged over 60, disabled, have a long-term illness or children under 16.

The Council will:

- Provide ERL in accordance with the purposes, eligibility and means test of resources as defined by the ERL Procedure.
- Provide an optional and chargeable support service to applicants to include form completion, drawing up of schedule of works and contract management. (This service is currently contracted out to Yorkshire Housing Home Improvement Agency under the NYCC Supporting People Handyperson Contract 2014/15-2016/17). The cost of this service can be included within the loan amount.
- Ensure that all contractors carrying out ERL works meet the required quality and professional standards. Verification to be carried out by Yorkshire Housing or where applicant selects a contractor who is not on the Yorkshire Housing Approved List – Craven District Council will carry out verification.
- Register a Legal Charge against the property for the amount of the loan
- Levy a charge to cover the Council’s Legal costs (2016/17 rate = £50)

- 4.3.2 The Craven Housing Renewal Policy requires amendment to include this new initiative and will be revised accordingly

5 **Implications**

5.1 **Financial Implications:**

There are no financial implications arising from the introduction of the ERL. Craven's allocation is held centrally by Sheffield City Council which has full budget responsibility including the management of repayments and defaults.

There is no value for money (VFM) implications arising from this report. Contractor costs are subject to VFM verification using schedule of works rates or through Yorkshire Housing procurement processes.

5.2 **Legal Implications:**

The Council is required by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to adopt and publish a policy setting out how it will exercise the power to provide the housing assistance set out in Article 3 of the Order. The Council's Housing Renewal Policy requires Member approval to make major amendments to the policy.

Under the provisions of the Local Government Act 2000 and Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2012 the delegation of the executive function of administering Energy Repayment Loans (including deciding whether to award the loan and making the loan payments) to the Executive of Sheffield City Council requires the approval of Policy Committee

5.3 **Contribution to Corporate Priorities:**

a) Craven District Council – Council Plan 2016 - 2019

Priority: Resilient Communities

Contribution: Create greener communities through education, direct and indirect financial assistance to address poor energy efficiency of housing which is a contributory factor in increasing Craven's carbon footprint.

b) Craven's Housing & Homelessness Integrated Action Plan 2016/17

Priority: Maintain and improve the quality of existing housing

Contribution: Increasing the energy efficiency of housing - use of education and encouragement, direct and indirect financial assistance and enforcement to address the condition of housing as a key determinant of health and wellbeing and also enabling older/disabled people to live at home for longer.

5.4 **Risk Management:**

The Council risks challenge, by way of Judicial Review, where functions are not delegated in accordance with the Local Government Act 2000 and Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2000.

The amendments to the Craven Housing Renewal Policy are required to ensure that the Council is complying with Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

5.5 Equality Impact Assessment:

The Council's Equality Impact Assessment Procedure **has been** followed. An Equality Impact Assessment **has not** been completed on the proposals as completion of **Stage 1- Initial Screening** of the Procedure identified that the proposed policy, strategy, procedure or function **does not have** the potential to cause negative impact or discriminate against different groups in the community based on •age • disability •gender • race/ethnicity • religion or religious belief (faith) •sexual orientation, or • rural isolation.

6 Consultation with Others:

- a) Environmental Health – Private Sector Housing Officer
- b) Yorkshire Housing – Home Improvement Agency

7 Access to Information : Background Documents:

Equalities Impact Assessment - Screening Form

8 Author of the Report:

Nina Pinder, 01756 706392 email: npinder@cravendc.gov.uk

Note: Members are invited to contact Nina Pinder (npinder@cravendc.gov.uk 01756 706392) in advance of the meeting with any detailed queries or requests for supporting customer/officer procedural documentation.

9 Appendices:

Appendix A – Declaration of approval