



North Devon Council

Report Date: 5th September 2022

Topic: **HOME LOAN POLICY**

Report by: **W.SLATE; SERVICE LEAD – HOME ADAPTATIONS, IMPROVEMENTS & ENERGY EFFICIENCY**

1. INTRODUCTION

1.1. Members established North Devon Council's current policy for Home Improvement Loans at Executive Meeting (Minute 101, 8th January 2018 refers)

1.2. This paper seeks to update the current policy; to remove restrictive eligibility criteria and amounts available and aims to compliment the Empty Homes Project.

2. RECOMMENDATIONS

2.1. To approve the adoption of the revised Loan Policy (**Appendix A**).

3. REASONS FOR RECOMMENDATIONS

3.1. To maximise the community benefit from the loan fund with Lendology CIC

4. REPORT

4.1. The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002, empowered local housing authorities to provide financial assistance at their discretion and subject to Council policy. It permits local authorities to provide assistance to both tenants and private owners through grants and/or loans and allows the criteria to be determined locally.

4.2. North Devon Council has worked in partnership with Lendology CIC (formerly Wessex CIC) since 2005, who are a not-for-profit company delivering local authority funded loans to residents in North Devon.

4.3. North Devon Council, together with nine other Local Authorities successfully bid for capital funding of £2,625,000 to set up a loan consortium. The funds are held by Lendology CIC in ring fenced accounts for each local authority, under a tight consortium agreement signed by all parties.

4.4. The current Policy has five loan types under the following key strategic priorities:

4.4.1. increasing housing supply – *Conversion Loan and Empty Homes' Loan*

4.4.2. providing temporary accommodation – *Temporary Accommodation Loan*

4.4.3. improving health and wellbeing – *Home Improvement Loan (Owner Occupier)*

4.4.4. reducing homelessness - *Home Improvement Loan (Landlords)*

4.5. The current loan types have various eligibility criteria and restrictions to the amount available.

4.6. The take up of loans has been low; the majority being Home Improvement Loan (Owner Occupiers):

Activity	2018/19	2019/20	2020/21
Number of referrals	24	33	36
Number of loans sanctioned	11	21	19
Value of loans sanctioned	£43,298	£109,0934	£120,057
Number of loans drawn down	11	21	14
Value of loans drawn down	£42,303	£107,014	£74,614

4.7. The revised Loan Policy has been drafted in consultation with officers and representatives from Lendology CIC and has the following overarching aims:

4.7.1. To support increase the supply of housing (rent or sale)

4.7.2. To improve housing standards / energy efficiency

4.8. There are 3 loan types:

4.8.1. Commercial Conversion Loan – available to property owner(s) for commercial conversion of buildings into dwellings, either for sale or rent (subject to planning permission)

4.8.2. Empty Home Loan – available to property owner(s) to bring empty homes back into use to increase the provision of much needed homes, either for sale or rent

4.8.3. Home Owner Loan – available to home owners (including Park Homes) for a variety of purposes, including essential repairs, improvements, disabled adaptations, homelessness prevention, bulk buy fuel and ‘Lite Loan’

4.9. The type of loan and loan product that is offered will depend on the outcome of the financial assessment completed by Lendology CIC Loan Advisor. The assessment takes into account of current and future affordability and also explores other options client may have to fund the works.

4.10. The minimum loan will be £1,000 (exclusions are Bulk Buy Fuel Loan and Lite Loan).

4.11. The maximum loan will be assessed by Lendology CIC based on an individual circumstances. It will also be made in conjunction with NDC and will take into account a value for money assessment looking at social, environment and financial return.

4.12. There is no limit to the number of loans that can be applied for. Eligibility will be down to assessment by Lendology CIC Loan Advisor and availability of funds.

5. RESOURCE IMPLICATIONS

5.1. Lendology CIC will be the main contact for enquiries, applications and assessments.

5.2. NDC officers will be responsible for identifying potential beneficiaries of a loan and signpost to Lendology CIC.

5.3. The Council's Private Sector Housing Team will be responsible for receiving applications from Lendology CIC, assessing validity of quotations and carrying out inspections.

5.4. The resource implications for the Private Sector Housing Team will be reviewed, dependent upon the demand

6. EQUALITIES ASSESSMENT

6.1. An equality impact assessment of this revised policy has been completed.

7. ENVIRONMENTAL ASSESSMENT

7.1. Potential improvements in energy efficiency from increased housing standards may impact positively on the environment as well as tackling nuisance empty homes that adversely affect people and their environment.

8. CORPORATE PRIORITIES

8.1. What impact, positive or negative, does the subject of this report have on:

8.1.1. The commercialisation agenda:

8.1.1.1. None

8.1.2. Improving customer focus and/or

8.1.2.1. Providing a flexible loan policy to enable more residents of North Devon to carry out essential repairs and improvements.



8.1.2.2. Empty homes being brought back into use for sale or rent. Also consideration for use as temporary accommodation by NDC's Housing Options Team.

8.1.3. Regeneration or economic development

8.1.3.1. Improvement in housing standards

8.1.3.2. Opportunity for empty commercial properties that may be suitable for use as dwellings.

9. CONSTITUTIONAL CONTEXT

9.1. Article of Part 3 Annex 1 paragraph: 1(f)

9.1.1. Strategy & Resources Committee

9.2. Referred or delegated power?

9.2.1. Delegated

10. STATEMENT OF CONFIDENTIALITY

This report contains no confidential information or exempt information under the provisions of Schedule 12A of 1972 Act.

11. BACKGROUND PAPERS

The following background papers were used in the preparation of this report:

- Home Improvement Loan Policy agreed by Executive Meeting (Minute 101, 8th January 2018 refers)

(The background papers are available for inspection and kept by the author of the report).

12. STATEMENT OF INTERNAL ADVICE

The author (below) confirms that advice has been taken from all appropriate Councillors and Officers:

Wendy Slate – Service Lead Home Adaptations, Improvements & Energy Efficiency