
REPORT TO: Cabinet Member (Housing)

DATE: 27 October 2009

DEPARTMENT: Community Services

REPORTING OFFICER: Mr A Jenks, Head of Housing
(report prepared by Ms C Loftus, Housing Needs Manager)

SUBJECT: **REGIONAL MORTGAGE ASSISTANCE LOAN SCHEME**

WARDS AFFECTED: All

FORWARD PLAN REF: N/A

1.0 PURPOSE OF REPORT

1.1 To seek approval for Harrogate Borough Council's participation in the Regional Mortgage Assistance Loans Scheme "Breathing Space".

2.0 RECOMMENDATION

2.1 That the Cabinet Member (Housing) approves the Council's participation in "Breathing Space", the Regional Mortgage Assistance Loan Scheme, operated by Wakefield Metropolitan District Council (Wakefield Council), on behalf of local authorities across the Yorkshire & Humber region, to enable them to offer loans to help home owners in the District experiencing difficulties with their mortgage and/or secured loan payments.

3.0 RECOMMENDED REASONS FOR DECISION

3.1 The Regional Housing Board (RHB) has allocated two million pounds for a regional mortgage assistance scheme. After considering the other options available, the RHB agreed that the existing Wakefield Council loan scheme should be rolled out throughout the Yorkshire & Humber region.

3.2 To enable Wakefield Council to act as the Accountable Body for the scheme and to act as administrative body and banker, formal approval is required to allow Wakefield to discharge these functions on behalf of Harrogate Borough Council under the provisions of the Local Government Act 2000

and Local Authorities (Arrangement for the Discharge of Functions) (England) Regulations 2000, in accordance with the Council's well being powers under Section 2 of the Local Government Act 2000.

4.0 ALTERNATIVE OPTION CONSIDERED AND RECOMMENDED FOR REJECTION

- 4.1 Not to delegate authority to Wakefield Council to allow Harrogate Borough Council to participate in the Regional Mortgage Assistance Loan Scheme.

This is not being recommended. Funding provided by the RHB will not be utilised to assist home owners in the Harrogate District at risk of losing their home and the Council will lose the opportunity to further develop the range of homelessness services in the District, with the potential for further reductions in homelessness acceptances and temporary accommodation occupancy.

5.0 BACKGROUND

- 5.1 Wakefield Council's Mortgage Assistance Loan Scheme has been providing assistance to home owners in financial difficulties since April 2009, with funding secured from the RHB. The Scheme provides an interest free, secured loan to help meet mortgage and/or secured loan payments and arrears and assists households where the difficulty in meeting payments is likely to be in the short term or the property is for sale. Loans range from £2,000 to £15,000 and are repayable in full at the end of 3 years. Households do have the option to repay the loan prior to the end of the 3 year term. The Scheme gives households the opportunity to remain in homeownership and is not restricted to "priority need" households in terms of homelessness legislation. The Scheme has assisted 25 households in the first 6 months of operation. It is anticipated that the Regional Scheme, known as "Breathing Space" will be rolled out in September 2009, with participation from the individual local authorities as and when they are ready to take part.
- 5.2 The Breathing Space Scheme will operate much in the same way as the existing regional home improvement loans scheme administered by Sheffield Council on behalf of Yorkshire and Humberside local authorities. Participating local authorities will undertake the initial stages of the loan application and forward the application to Wakefield Council to process and pay the loan and secure a charge on the property in question. The relevant local authority will be responsible for subsequent support and reviews with the home owner and may be required to assist Wakefield Council in recovery of the loan. If, in exceptional cases, deferral or waiving of the loan repayment is required, this will be considered by a Regional Panel made up of representatives of the participating local authorities and the Breathing Space manager. A Steering Group of sub regional representatives from across the region, Government Office Yorkshire and Humber and Wakefield Council will oversee the delivery of the Scheme.

6.0 RISK MANAGEMENT

6.1 The RHB has provided the funding for the Breathing Space Scheme for the region and therefore there will be no capital funding implications for the Council. The significant risk associated with the Scheme is that home owners do not repay the loan at the end of the term, thereby reducing the amount of funding being recycled back into the Scheme. As the Scheme is targeting those households who are struggling financially, there will always be some element of risk associated with providing a loan. However, financial assessments and regular reviews with the home owner will minimise this risk.

7.0 LEGAL, FINANCIAL AND HR IMPLICATIONS

7.1 There are no other specific legal, financial or HR implications associated with this report.

Background Papers – None

OFFICER CONTACT: Please contact Ms C Loftus, Housing Needs Manager, if you require any further information on the contents of this report. The officer can be contacted at the Department of Community Services, Housing Needs, Victoria Park House, 18 Victoria Avenue, Harrogate, HG1 5QY, by telephone on 01423-556932 or by e-mail – carol.loftus@harrogate.gov.uk

SUSTAINABILITY ASSESSMENT/CRIME AND DISORDER

		Implications are		
		Positive	Neutral	Negative
A	Economy	✓		
B	Environment		✓	
C	Social Equity			
i)	General	✓		
ii)	Customer Care/People with Disabilities	✓		
iii)	Health Implications	✓		
D	Crime and Disorder	✓		

If all comments lie within the shaded areas, the proposal is sustainable