

WYRE FOREST DISTRICT COUNCIL**CABINET**
21ST JULY 2009**Department for Communities for Local Government (DCLG) funding for the
Prevention of Mortgage and Landlord Repossession**

OPEN	
SUSTAINABLE COMMUNITY STRATEGY THEME:	Improving Health and Wellbeing
CORPORATE PLAN THEME:	Enabling Community Wellbeing
CABINET MEMBER:	Cllr Tracey Onslow
DIRECTOR	Director of Planning and Regulatory Services
CONTACT OFFICER:	Sally Horne, Principal Strategic Housing Officer – ext 2561 sally.horne@wyreforestdc.gov.uk
APPENDICES:	None

1. PURPOSE OF REPORT

1.1 This report:

- Provides details on the additional funding of £48,000 allocated to Wyre Forest District Council by the Department of Communities and Local Government (DCLG) for the purpose of preventing Mortgage and Landlord Repossession.
- Seeks approval from the Cabinet for the addition of the funding to the existing budget and also the proposed expenditure of the grant, to include funding for a full time, fixed term post.
- Should the situation arise, seeks approval for any savings arising from vacant posts relating to this field within the section, be used as a contribution towards the new Private Sector Initiatives Officer post.

2. RECOMMENDATION**Cabinet is asked to DECIDE to:**

- 2.1 **Approve the addition of funding to existing budgets and the proposed expenditure of the grant.**
- 2.2 **Approve the delegated authority to Director of Planning & Regulatory Services to implement and monitor the proposal, which includes the Initiatives Officer appointment on a full time basis, period of employment to be determined by funding received.**
- 2.3 **If required, approval be given to any savings which may arise from vacant posts within the section being used in conjunction with DCLG funding.**

3. BACKGROUND

- 3.1 The Government has put increasing pressure upon Local Authorities to work with the private sector, both through the Housing Act 2004 and through the recent activity surrounding supporting home owners through the recession.
- 3.2 Since late 2008, the Government has introduced a plethora of initiatives aimed at improving the standard of private sector housing, stabilizing the housing market and reducing the numbers of households threatened with homelessness.
- 3.3 The recently published Rugg review (October 2008) focuses upon making more effective use of the private rented sector, providing sustainable tenancies and working with landlords to maximise the potential of the private rented sector in meeting housing needs. In terms of support for homeowners, the Government has introduced Mortgage Rescue and the Homeowners Support Scheme, which the authority are expected to facilitate in partnership with key service providers such as the Citizens Advice Bureau, Wyre Forest Community Housing Group and West Mercia Housing Association.
- 3.4 In terms of the local situation, figures provided by the DCLG (2008) show that there has been a 37% increase in mortgage repossessions and a 56% increase in landlord repossession cases heard at Kidderminster Court since 2007
- 3.5 Officers have introduced a number of measures in order to provide support to householders facing mortgage or landlord repossession. This has included the introduction of the mortgage rescue scheme, boosting the homeless prevention loan monies available for households who may need financial assistance to reduce rent or mortgage arrears or who need help with a rent deposit and offering a specific housing related money advice service in partnership with Citizens Advice Bureau (CAB) and the Community Housing Group.
- 3.6 However, much more needs to be done to tackle landlord and mortgage repossession. Officers are currently working to launch a private sector landlord's forum where it is hoped that work can be undertaken to tackle particular issues having an impact upon private landlords and tenants in the district. It is hoped that by offering incentives such as free advertising on Home Choice Plus providing advice on local housing allowance and access to existing grants, landlords will engage with the authority.
- 3.7 Work also needs to be undertaken to bolster the money advice services available to households facing repossession. There is currently a 3 week wait for an appointment with the CAB and the court desk service is heavily used. Officers are currently working with the courts to ensure that householders facing repossession are getting access to advice prior to court hearings and that those householders are then adequately linked into services, after court.
- 3.8 There is also substantial work to be undertaken to advertise and monitor the housing options available to people. In particular, further work needs to be undertaken with the mortgage rescue and homeowners support scheme. The Government are regularly announcing changes to the scheme and are introducing new options for homeowners, which need to be communicated to householders in need and is proving to be a challenge given the current capacity of Housing services.

4. KEY ISSUES

- 4.1 Realising the additional resource implications that the current economic climate and the proposed initiatives will have upon local authorities and partners, the Department for Communities and Local Government have released additional direct funding to finance locally needed interventions. Wyre Forest District Council has been allocated one off funding of £48,000.
- 4.2 In the guidance issued with the funding, the Government makes a number of suggestions for expenditure, including the following:
- Undertaking publicity to advertise current services available to assist people who are facing repossession
 - Using the money as a hardship fund to stop repossession in the short term through one off financial assistance to landlords
 - Boosting rent deposits and bond scheme in the private sector
 - Boosting debt advice services

These are only suggestions and it states in the guidance that “final decisions on efficient and equitable deployment of this additional funding rest with local authorities and should be based on individual local need and circumstances”.

- 4.3 Therefore, having reviewed the current services available and in discussion with partners it is suggested that the funding be allocated in two ways. One is to fund additional housing specific money advice sessions. This will mean that the 2 day a week CAB service will be extended to a five day a week service. This will help reduce the waiting time for householders in need of advice regarding homeowner support, referral for the mortgage rescue scheme and homeless prevention loan. The second is to fund a fixed term one to two year post within the Council’s strategy team, aimed specifically at engaging with the private sector and promoting and advising on government initiatives.
- 4.4 As mentioned earlier in the report, a number of initiatives are currently being set up by officers in housing services. The longer term success of the initiatives, such as the private landlords forum, the homeowners support and mortgage rescue scheme are dependent upon the resources to coordinate, deliver and publicise the schemes through front line services.
- 4.5 It is also important that existing partnership with private sector housing continues. By working with the Housing Strategy team, empty properties are being returned to use, with nomination rights to the Council, thus assisting the reduction of the housing waiting list. It is important however, that this work continues as not only does it offer incentives to bring empty properties back into use but also assists in tackling homelessness. Where possible the two functions need to be closely aligned
- 4.6 Therefore, it is proposed that, should an externally funded post become vacant before the end of its fixed term period, remaining funding be combined with this new direct funding to recruit someone as a Private Sector Initiatives Officer.

5. FINANCIAL IMPLICATIONS

- 5.1 It is proposed that the costs of the post be met through the DCLG funding and any surplus funding which may arise from vacant positions dealing with this field, and that this post be Band F. The cost of the post, together with the additional support for the CAB money advice sessions (£9690 to cover the 3 additional weekly advice sessions from 1st August until 31st March), will not exceed the direct funding.

6. LEGAL AND POLICY IMPLICATIONS

- 6.1 The proposed expenditure of the funding will assist the authority in developing its housing options available to households within the private sector as well as continuing to deliver targets set in the Council's Empty Property Strategy. The proposed work will help the authority meet its legal obligations under Part VII of the Housing Act (Homelessness) and the Housing Act 2004.

7. RISK MANAGEMENT

- 7.1 There is a risk that should funding not be approved for the purpose proposed that the authority will face difficulties in taking forward work streams that will assist in meeting its legal obligations, for example preventing homelessness and bringing empty properties back into use.

8. CONCLUSION

- 8.1 Local Authorities are being actively encouraged to work with the private sector to ensure sustainable accommodation that meets local housing need, both through the Housing Act 2004 and the recent range of initiatives developed by the Government surrounding homeowner support. The Department of Communities and Local Government have released an additional one off payment of £48,000 to Wyre Forest District Council with the purpose of tackling landlord and mortgage repossession. It is anticipated that Local Authorities will use this money to meet individual local need and circumstance and having reviewed service provision with key partners, it is suggested that the funding be allocated to the provision of additional housing related money advice sessions and the provision of a private sector initiative officer.

9. CONSULTEES

- 9.1 Community Housing Housing Needs Service
9.2 Citizens Advice Bureau
9.3 Kidderminster County Court Manager
9.4 Corporate Management Team
9.5 Director of Resources
9.6 Human Resources
9.7 Private Sector Housing

10. BACKGROUND PAPERS

Department for Communities and Local Government (April 2009), Short Guide from the Regional Resource Teams for Local Authorities on how to Prevent Homelessness due to Mortgage and Landlord Repossession

Julie Rugg and David Rhodes (October 2008), The Private Rented Sector: it's contribution and potential

Department for Communities and Local Government (May 2009), The Private Rented Sector, Professionalism and Quality, The Government Response to the Rugg Review Consultation Document