

# RIBBLE VALLEY BOROUGH COUNCIL

## REPORT TO POLICY AND FINANCE COMMITTEE

meeting date: 29 MARCH 2022  
 title: REFERENCE FROM HEALTH AND HOUSING COMMITTEE – PROPOSED REVISED LANDLORD TENANT GRANT POLICY AND INTRODUCTION OF A NEW GRANT FOR FIRST TIME BUYERS  
 submitted by: DIRECTOR OF RESOURCES  
 principal author: LAWSON ODDIE

### 1 PURPOSE

- 1.1 To consider a request from Health and Housing Committee in respect of a proposed new First Time Buyers capital grant scheme, utilising resources from the existing Landlord/Tenant grant scheme.

### 2 BACKGROUND

- 2.1 Service committees manage their services within the budgets agreed at the beginning of the financial year. The budget for 2022/23 was approved by Special Policy and Finance Committee on 22 February 2022 and by Full Council on 8 March 2022.
- 2.2 Any revenue or capital expenditure over and above what has already been approved must be agreed by Policy and Finance Committee.

### 3 HEALTH AND HOUSING COMMITTEE 17 MARCH 2022

- 3.1 Health and Housing Committee considered a report submitted by the Director of Economic Development and Planning. The report (attached at Annex 1) gave details of proposals to introduce an additional grant scheme available for first time buyers towards improvement of the energy efficiency of the property which includes a wide range of improvements and would be determined by the dwelling's Energy Performance Certificate.
- 3.2 At its meeting, Health and Housing Committee considered the report and resolved that:

'RESOLVED: That Committee

1. Approve the revised discretionary private sector grant policy for a 12-month trial period;
2. Approve the use of the Central Lancashire LHA rate for a 12-month trial period;
3. Confirm officers trialling a First Time Buyers Grant for a 12-month trial period, this to be referred to Policy & Finance committee, and
4. Delegate a review of the above three changes to officers to report back to a future committee following the 12-month period.

- 3.3 The grant scheme would be funded by moving resources off the Landlord/Tenant Grant scheme and instead creating a new First Time Buyers capital grant scheme. The proposals in the report were that half of the Landlord/Tenant Grant Scheme should be used to create the new grant scheme. This would mean that for 2022/23, the capital schemes would be:

- Landlord/Tenant Grant Scheme - £118,370 (*previously £236,740*)
- First Time Buyers Grant Scheme - £118,370

4. RECOMMENDED THAT COMMITTEE

- 4.1 Approve the request for a new capital scheme budget of £118,370 in respect of a new First Time Buyers capital grant scheme. This would be enabled by reducing the Landlord/Tenant Grant Scheme by this amount.

HEAD OF FINANCIAL SERVICES  
PF20-22/LO/AC  
22 March 2022

DIRECTOR OF RESOURCES

# RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

---

meeting date: THURSDAY, 17 MARCH 2022  
title: PROPOSED REVISED LANDLORD TENANT GRANT POLICY AND  
INTRODUCE A NEW GRANT FOR FIRST TIME BUYERS  
submitted by: NICOLA HOPKINS – DIRECTOR OF ECONOMIC DEVELOPMENT & PLANNING  
principal author: RACHAEL STOTT – HOUSING STRATEGY OFFICER

## 1 PURPOSE

1.1 To propose a revised renovation grant policy and to introduce a renovation grant offer to first time buyers.

1.2 Relevance to the Council's ambitions and priorities:

- Community Objectives – To address the housing needs of households in the borough.
- Corporate Priorities – To ensure the council is a well-managed authority providing efficient services based on identified customer needs.
- Other Considerations – None.

## 2 BACKGROUND

2.1 For the past few years financial support has been made available to deliver 2 types of grants **Disabled Facilities Grants** mandatory and discretionary **Landlord Tenant grants**.

Whilst these have been amended and updated numerous times, these 2 grants addressed two key priorities:

- To enable households to remain in their own property for as long as possible through adaptations and equipment whenever possible.
- Support private landlords to deliver affordable rental properties and therefore increase affordable housing options for people in the borough.

2.2 The Landlord Tenant Grant currently includes:

*Renovation grants may be available where substantial works are required to the dwelling to make a dwelling fit to live in. To be eligible, the property:*

- *Must be within Council Tax bands A – D*
- *currently not meeting the fitness standard for a habitable dwelling.*

*The grant assistance available is 50% of the conversion work, up to a maximum of £10,000 per flat, £15,000 per two/three bedroomed property. The property must meet the decent homes standard on completion.*

2.3 For the next financial year there is £236,000 in the budget for Landlord Tenant Grants

## 3 ISSUES

3.1 At the last meeting of this Committee it was confirmed that a review of the Landlord Tenant grant scheme was being undertaken and will be the subject of a future report to this Committee. This report sets out the conclusion of the review.

- 3.2 There has been a significant reduction in landlords registering any interest in the Landlord Tenant grant scheme. This has been the case for the past 3 or 4 years and coupled with covid has meant there is significant underspend on the budget.
- 3.3 One issue identified as a reason for the low take up rate of Landlord Tenant Grants is the current requirement to charge East Lancashire Local Housing Allowance (LHA) rate. This LHA rate is now approximately 40% lower than market rent levels and therefore a significant determining factor in landlords not willing to enter the scheme. Appendix 1 sets out the various rental levels compared to the market rent.
- 3.4 Concerns have also been raised about the availability of housing for first time buyers in the Borough. Over the past few years house prices and cost of renting has increased significantly making accessing the housing market extremely challenging particularly for first time buyers and this is particularly prevalent within a Borough like Ribble Valley.
- 3.5 House prices and demand for property is a national problem and so within the borough where house prices are above average already this has created additional difficulties for first time buyers trying to access the market.

#### 4. OPTIONS

- 4.1 The following options have been considered in respect of the Renovations Grants:
- 4.2 **Landlords:** The grant available could be increased from £15,000 to £20,000 of match funding per two/three bedroomed property.
- 4.3 **LHA Rate:** Allow Landlords to charge the Central Lancashire LHA rate on completion of the works
- 4.4 **First time buyers grant-** To introduce an additional grant available for first time buyers towards improvement of energy efficiency of the property which can include a wide range of improvements and will be determined by the dwellings Energy Performance Certificate. This could be, but not limited to, the boiler, new windows, and all forms of insulation.
- 4.4.1 This new grant would be for:
- Properties within Council Tax groups A-C.
  - Would be means tested.
  - On completion the EPC rating would have to reach a minimum of a C.
  - The maximum grant available would be £15,000 and will cover half of eligible costs upto £15,000 (ie match funding will be required).
  - Would be registered as a charge on the property to be repaid when the property is sold. If the property is sold after 5 years from receipt of the grant the repayment amount decreases to 50% of the total grant award.
- 4.5 Appendix 2 sets out the proposed Frist Time Buyers Grant policy.
- 4.6 Members should be aware that the proposed first-time buyers grant is likely to raise the following challenges:
- Administering such a grant could be resource intensive as each application will be specific to the dwelling in question and relate to different improvements (ie each application will be individual). At this stage it is unclear what the take up will be to understand the impact on both capacity (staff time administering and reviewing the applications) and the budget (whether the budget is sufficient).
  - First time buyers generally have limited spare cash; however, family members may assist and therefore make it difficult to assess if they are eligible.

- The improvements may require more technical input during the renovation and as technical officer post is currently vacant this may cause issues.

4.7 If Members would like to introduce this new grant it is suggested that it is trialled for a year noting the above challenges and that the 2022/23 grant budget is split equally between Landlord Renovation Grants and First Time Buyer grants

## 5 RISK ASSESSMENT

5.1 The approval of this report may have the following implications:

- Resources – Existing budgets including underspend from the past few years will fund the scheme.
- Technical, Environmental and Legal – All grants apart from the mandatory DFG will be registered as a charge.
- Political – Assisting all aspects of the housing need is important. Both households seeking to rent and households seeking to enter into homeownership.
- Reputation – Promote the scheme across the borough to ensure all households are aware of the opportunity.

Equality & Diversity – All household needs will be considered in the renovation.

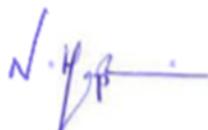
## 6 RECOMMENDED THAT COMMITTEE

6.1 Approve the revised Landlord Renovation grant policy for a 12-month trial period.

6.2 Approve the use of the Central Lancashire LHA rate for a 12-month trial period.

6.3 Confirm whether Members would like Officers to trial a First Time Buyers Grant for a 12-month trial period

6.4 Delegate a review of the above three changes to Officer to report back to a future Committee following the 12-month period.



RACHAEL STOTT  
HOUSING STRATEGY OFFICER

NICOLA HOPKINS  
DIRECTOR OF ECONOMIC  
DEVELOPMENT & PLANNING

For further information please ask for Colin Hirst, extension 4503.

## Appendix 1

Local Housing Allowance rates compared to market rent

Area	2 bed rate	3 bed rate
East Lancs LHA	390	450
Central Lancs LHA	475	550
Market rent	650	800



Ribble Valley  
Borough Council

[www.ribblevalley.gov.uk](http://www.ribblevalley.gov.uk)

# **DISCRETIONARY PRIVATE SECTOR GRANT POLICY**

# Contents

<u>1) FIRST TIME BUYER GREENER HOMES GRANT</u> .....	7
<u>WHAT TYPE OF PROPERTY IS ELIGIBLE?</u> .....	7
<u>WHO CAN APPLY?</u> .....	7
<u>WHAT TYPE OF WORK IS COVERED?</u> .....	7
<u>WHO WILL ARRANGE THE WORK?</u> .....	7
<u>FINANCIAL ELIGIBILITY</u> .....	7
<u>CONDITIONS OF THE GRANT</u> .....	8
<u>2) LANDLORD TENANT GRANT SCHEME</u> .....	8
<u>WHAT TYPE OF PROPERTY IS ELIGIBLE?</u> .....	8
<u>WHAT TYPE OF WORK IS COVERED?</u> .....	8
<u>FINANCIAL ELIGIBILITY</u> .....	9
<u>CONDITIONS OF THE GRANT</u> .....	9

## **1)FIRST TIME BUYER GRANT**

In line with the Council's climate change objectives and to address a housing issue of affordability to access the housing market RVBC have introduced a grant offer to assist young people access the housing market a first-time buyer grant. This grant is made available to first time buyers purchasing a property that needs some energy efficiency improvements. A maximum grant of £15,000 per property will be made available.

An Energy Performance Certificate (EPC) must demonstrate the property as existing is rated between D to H. The eligible works will include bring the property up to EPC rating of A to C.

### **WHAT TYPE OF PROPERTY IS ELIGIBLE?**

- You may qualify if your property is 10 years old and is within the Council Tax Bands A to C and has an energy efficiency rating of D or lower.
- The property is located in the Ribble Valley.

### **WHO CAN APPLY?**

You can apply for a grant if you:

- are a first time buyer; and
- intend to occupy the property in the Ribble Valley as your main residence; and
- you are over 18 years old.

### **WHAT TYPE OF WORK IS COVERED?**

Work covered by the grant can include:

- all items identified on the EPC Certificate;
- any disrepair items that would be identified during a housing health and safety rating system (HHSRS) inspection

Additional work will need to be self-funded.

### **WHO WILL ARRANGE THE WORK?**

We do not arrange for the work to be completed or carry out the work; this is your responsibility. You will need to appoint the builder/contractor and arrange for any building regulations approval where necessary.

You may be eligible to get up to a maximum of £15,000 (the grant will cover half of eligible costs upto £15,000). The size of the grant would depend on the cost of the works required and the cost of the works that are deemed to be eligible. But with eligible works you will be required to provide two full sets of estimates and the grant award will match the lowest most reasonable set of estimates, evidencing value for money.

Approval of the grant award is at the Council's discretion and is subject to availability of funding. A grant approval certificate will be awarded before any payments will be made. Payment of the grant will be to the grant applicant and will follow the Housing Grants Construction and Regeneration 1997 grant guidance and all audit and financial regulations.

On completion of the approved grant works the property will need to be inspected and the EPC rating for the property recalculated to evidence the energy improvements made.

### **FINANCIAL ELIGIBILITY**

We will assess your income, and the total earnings of the household need to be less than £80,000 per annum. We will require:

- 3 months bank statements;
- 3 months wage slips;
- evidence of all savings and any other income source.

The calculation will consider your family circumstances and remains at the Council's discretion. The calculation needs to show that your income and savings mean you are not in a position to fund the cost of the works entirely.

## **CONDITIONS OF THE GRANT**

When you apply for the grant, you must occupy the dwelling as your main and only residence for the next 5 years. If during those first 5 years from the date of which the work is signed off by the Technical Officer, you break this agreement, you will be asked to repay the grant monies, unless there is supporting evidence as to why there were exceptional circumstances that meant you could no longer remain in the property. This would be at the Council's discretion and considered by Health and Housing Committee.

The value of the grant award will be placed as a Land Charge and registered at the Land Registry against the property. This will remain registered with no inflation added until the point at which the property is sold. At that point the Council will be repaid the grant monies. In the event that the property is sold after a period of 5 years the grant repayment will reduce to 50% of the total grant award.

## **2)LANDLORD TENANT GRANT SCHEME**

The Council support private sector landlords to renovate rented property to bring additional affordable rented units on to the market. This increases the supply of affordable rent in the borough and guarantees good quality rental accommodation. The Council match fund private sector landlords' investment in property on the condition that on completion the property is rented out at an affordable rent level.

### **WHAT TYPE OF PROPERTY IS ELIGIBLE?**

Firstly, we ask landlords to register on a waiting list to show interest in the Landlord Tenant Grant Scheme and all types of properties will be considered but at any one time we will look at specific housing need in the area in which the property is located (2 and 3 bed properties are most needed).

Any private landlord can apply for the grant. The grant award is at the Council's discretion and any issue with previous management of stock in the borough may result in not being eligible.

You must own the property, be over 18 and have a repairing responsibility.

### **WHAT TYPE OF WORK IS COVERED?**

Work covered by the grant can include all items that are identified during the HHSRS inspection, which will be undertaken at the start of the application and any items identified on the EPC Certificate,

We do not arrange for the work to be completed or carry out the work; this is your responsibility as Landlord. You will need to appoint a builder/contractor and arrange for any building regulations, planning permission etc where necessary.

You may be eligible to get up to a maximum of £20,000 which is match funded. The size of the grant would depend on the cost of the works required and the cost of the works that are deemed to be eligible for each individual property. The total cost of the works will be agreed and then a 50% contribution will be offered by the Council.

For all the eligible work costs you will be required to provide 2 full sets of estimates and the grant award will match 50% the lowest most reasonable set of estimates. The estimates will be assessed by a technical officer and from that a grant approval certificate issued. From that date works can commence.

If you would like to carry out the works yourself, if you are a limited company, then this is permitted but the eligible works are for materials only and any labour costs cannot be included.

Approval of the grant at the Council's discretion and is subject to availability of funding at any time.

## **FINANCIAL ELIGIBILITY**

There is no means test requirement for the landlord tenant grant as the benefit to the Council is additional affordable rent property which is the priority for the grant initiative.

## **CONDITIONS OF THE GRANT**

When you apply for the grant, it is made clear that the housing management and/or landlords responsibility remain with the owner of the property. The grant is to provide capital investment into the renovation costs to bring the property up to a better standard and on condition of receipt of the grant the following is required for 5 years.

The property must be let at Central Lancs LHA rate for the house type and must be managed and rented out as an affordable rent for 5 years from the completion of the work, all nomination rights for the property are to be at the Council's discretion and the Council will provide, where possible, 3 suitable tenants to occupy the property.

The Landlord must also accept the Council's paper bond and accept the terms of protection scheme and therefore not require a month's rent up front or any bond off the tenant.

The grant will be registered a charge from the grant condition period of 5 years, any breach of the planning conditions and the owner of the property has to repay the grant conditions. The grant is registered as a charge against the property for 5 years from the date of completion.

## **MONITORING**

All grants are monitored and any approvals are reported to the next Health and Housing Committee. Both these grants are discretionary and therefore subject to the allocated budget. Health and Housing Committee will approve the annual budget for both schemes.