

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO HEALTH & HOUSING COMMITTEE

meeting date: THURSDAY, 27 OCTOBER 2022
title: FIRST TIME BUYER GRANT REVIEW
submitted by: DIRECTOR OF ECONOMIC DEVELOPMENT AND PLANNING
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1 PURPOSE

- 1.1 To receive information on first time buyer grants and consider amendments to the scheme.
- 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's needs.
 - Other Considerations – None.

2 BACKGROUND

- 2.1 Members will recall that the first time buyer grant was introduced in April 2022 for a trial period of 12 months following consideration of the need to review the existing landlord/tenant grant policy. This matter was considered at the meeting of this Committee on 17 March 2022, minute 753 refers.
- 2.2 The scheme was introduced following concern around the take-up of the Council's landlord/tenant grant scheme. Members were also keen to examine opportunities to widen support for both the improvement of lower cost properties and to assist first time buyers in moving into those properties.
- 2.3 The scheme was implemented in April 2022 and Members have received information on grant take-up as part of the regular grants update reporting. To date 11 grant applications have been received – 1 completed and paid out and 3 are approved and in progress. Further information is contained on the grants update report attached to this agenda. The grant scheme has generally been well received and has assisted applicants to improve their properties.

3 GRANT CONSIDERATIONS

- 3.1 As Members will note, the purpose of the grant is to assist first time buyers who are seeking to acquire their own house, but in terms of affordability, whilst they are able to access lower cost properties, they often need some fundamental renovation work. The scheme is designed to assist with that process of securing an affordable house but to assist with core improvements that will both improve the housing stock but will also help with energy efficiency, supporting the Council's climate change aspirations and helping to address other affordability issues around home energy.
- 3.2 The scheme is based upon the energy performance certificate (EPC) and can include (but not limited to) boiler improvements, new windows, insulated doors and all forms of insulation. The scheme is targeted at homes within Council Tax groups A-C with a

maximum grant of £15,000 covering half of eligible costs up to that limit of £15,000. Members will note from information provided in the grants update, that to date generally most schemes are modest in terms of the grant required.

- 3.3 As the grant is funded by way of public funds and to offer some protection of the use of those funds, a charge is registered on the property with the grant to be repaid (in full) if the property is sold or it ceases to be occupied as the main and only residence within a 5-year period of the grant commencing. If the property is sold after 5 years, the repayment reduces to 50% of the total grant, however the charge remains on the property in perpetuity.
- 3.4 The terms of the charge and repayment requirements have led to some potential applicants not wishing to pursue the grant as it is in effect, seen as a repayable loan and applicants do not want to be tied into repaying the grant or to have the charge on the property. Members will be aware that the grant was introduced for a period of 12 months for us to understand how it would operate and how it was received.
- 3.5 The charge issue appears to be affecting take-up and on reflection is inconsistent with other charge requirements that are placed on housing support grants. Consequently, it is suggested that the repayment is aligned with other Council grant schemes to see if this promotes further take-up.
- 3.6 The current grant conditions are set out in the attached grant scheme document and it is recommended that the period of the charge and repayment is limited to 10 years. Members are asked to agree the following amendment to the terms to read as follows:
- *The value of the grant award will be placed as a Local Land Charge 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. **THE CHARGE WILL BE REMOVED AFTER 10 YEARS.***
- 3.7 This will make the charge period consistent with other grants. If the property is sold after 10 years or ceases to be the main property there will be no repayment requirement.

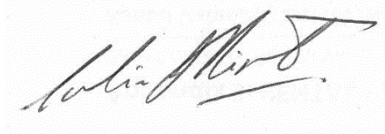
4 RISK ASSESSMENT

- 4.1 The approval of this report may have the following implications:
- Resources – This grant is funded as a capital scheme and is limited by the amount of money within the grant pot. The implication of making this change is that we will secure further grant applications up to the maximum of the grant pot.
 - Technical, Environmental and Legal – if agreed, the charge placed on the property will be consistent with other forms of support grants. Existing registered charges will not be affected.
 - Political – The measures set out in this report demonstrate that the Council is a well run authority.
 - Reputation – The measures set out in this report demonstrate that the Council remains prudent with public funds yet recognises the need to keep its projects under review.
 - Equality & Diversity – The changes set out will broaden opportunities for take-up but it is considered there are no direct equal opportunity implications.

- Climate Change – Improving the take-up of the grant should assist in achieving the Council’s climate change strategy.

5 RECOMMENDED THAT COMMITTEE

- 5.1 Note the information related to the first-time buyer grant and agree the amended wording to the grant conditions set out in paragraph 3.5 of this report.



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

**DISCRETIONARY PRIVATE SECTOR GRANT POLICY EXTRACT
FIRST TIME BUYER GREENER HOMES 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 green homes 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 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; or
- 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 additional items required to make the house habitable; and
- any 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 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.

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.

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 Local Land Charge 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.