

**CHILTERN DISTRICT COUNCIL  
CABINET 21<sup>ST</sup> OCTOBER 2014**

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**RING FENCED FLEXIBLE HOME EQUITY LOAN SCHEME**

*Contact Officer: Martin Holt 01494 732055*

**RECOMMENDATIONS**

**To transfer £50,000 from the Provisional Capital programme to the Approved and committed Capital programme 2014/15 to enable the Flexible Home Loan scheme to deliver a ring fenced equity loan in Chiltern District Council.**

**Relationship to Council Objectives**

*This report supports Council Objectives of:*

- (i) Delivering cost effective, customer focused services and*
- (ii) Working towards safer and healthier local communities*

**Implications**

- (i) This matter is a key decision within the Forward Plan*
- (ii) This matter is within the Policy and Budgetary Framework*

**Financial Implications**

*The proposal is to transfer £50,000 from the 2014/15 Provisional Capital Programme to the Approved and Committed Capital Programme to enable the Flexible Home Loan scheme to deliver a ring fenced equity loan in Chiltern District Council.*

**Risk Implications**

*Without additional funding the scheme may close resulting in preventing assistance to householders seeking to improve access to warmth, comfort and security.*

**Equalities Implications**

*Poor health is often associated with cold damp homes, improving the thermal elements of a dwelling reduces the risk of condensation and mould and reduces the risk of winter deaths associated with cold homes*

## Sustainability Implications

*There are no specific sustainability implications*

## Report

### Purpose of Report

- 1 To transfer £50,000 from the Provisional Capital programme to the Approved and Committed Capital Programme 2014/15 to enable the Flexible Home Loan scheme to deliver a ring fenced equity loan in Chiltern District Council.

### Links to Council Policy Objectives

- 2 This links to the 'Working towards safe and healthier local communities' aim of the Joint Business Plan 2014-19.

### Background

- 3 The Council has been a member of the Flexible Home Loan scheme since 2008, and has supported householders access to repayable loans valued in excess of £340,000.
- 4 The loans have supported improvements and repairs including measures to improve security, thermal efficiency and safety. The ability to access this finance has enabled the Council to reduce the demand on its own Capital programme and support householders to undertake essential maintenance, repairs and adaptations.
- 5 The loans are managed through Flexible Home Improvement Loans Ltd, a local authority owned company, and are targeted in Chiltern through application of the [Housing Financial Assistance Policy](#)
- 6 The majority of loans have been accessed by householders aged 60 and over, enabling those often excluded from accessing alternative finance to borrow funds to repair properties. Each loan is secured as a charge on the property and the current rate of interest charged is 3.5%.
- 7 Demand across the 16 partner authorities has been such that the original £7M allocation has been almost fully committed and authorities are restricted to the available funds.
- 8 The allocation for Chiltern has reduced from £125k in 2010 to £45k in 2013/14, see table below.

| 2013-14 | 2012-13  | 2011-12  | 2010-11  |
|---------|----------|----------|----------|
| £45,000 | £115,000 | £100,897 | £125,566 |

- 9 The recession has prevented government from providing additional funds to the scheme but local authorities may top up the capital amount allocated for their area through investing in the scheme to provide a ring fenced revolving loan fund.
- 10 The Housing shared service business plan recommended the continuation of the Flexible Home Loan scheme with consideration being given to operating a ring fenced loan. South Bucks is separately considering a similar report to establish a loan fund.
- 11 The proposal for Chiltern is to transfer £50,000 from the 2014/15 Provisional Capital Programme to the Approved and Committed Capital Programme enabling the Flexible Home Loan scheme to operate a ring fenced equity release scheme in the District.
- 12 This funding would be available to households aged 60 and over, for the purpose of improving the warmth, comfort, safety and security of homes and to owner occupiers and private landlords to enable access energy efficiency improvements in accordance with the eligibility criteria detailed in Appendix 1 of the existing Housing Financial Assistance Policy.

### **Summary**

- 13 To transfer £50,000 from the 2014/15 Provisional Capital Programme to the Approved and Committed Capital Programme enabling the Flexible Home Loan scheme to operate a ring fenced equity release scheme in the District.
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