

Eden District Council

Cabinet

20 September 2022

Repossession Prevention Fund Policy

Portfolio:	Housing and Health Portfolio
Report from:	Assistant Director – Customers, Performance & Housing
Wards:	All Wards
OPEN PUBLIC ITEM	

1 Purpose

- 1.1 To present the ‘Repossession Prevention Fund Policy and Procedure’ and seek approval to spend the designated Repossession Prevention Fund held in Earmarked Reserves.

2 Recommendations

- 2.1 It is recommended that the Repossession Prevention Fund Policy and Procedures be approved.
- 2.2 It is recommended that no charge be applied to any properties subject to this policy.

3 Report Details

- 3.1 The Council is the local housing authority for Eden district and has a statutory duty to produce a housing strategy. The draft Housing Strategy 2021 – 2026 (‘The Strategy’) has been prepared in order to meet this requirement.

- 3.2 The Strategy identifies three key priorities:

- Development of good quality new housing.
- Improving the condition of our existing housing stock.
- Improving access to housing for all.

The Strategy recognises the Council’s statutory duties relating to Homelessness.

- 3.3 The Homelessness Reduction Act 2017 introduced a requirement for local authorities to provide improved advice and information about homelessness and the prevention of homelessness, alongside the extension of the ‘threatened with homelessness’ period. It also introduced new duties to prevent and relieve homelessness for all eligible people, together with a requirement for formal assessments and personalised housing plans to be drawn up.

- 3.4 Eden District Council published its Homelessness Strategy in July 2019 in compliance with the obligations found in the Homelessness Act 2002.

- 3.5 The Homelessness Strategy seeks to tackle all forms of homelessness, including those owed a statutory duty (typically families with dependent children, or vulnerable adults), and also people who are single, sleeping on the streets, or in other transient arrangements (eg sleeping on a friends' sofa).
- 3.6 The Homelessness Strategy details the following objectives:
- Reduce the current and future levels of homelessness.
 - Prevent homelessness.
 - Ensure there is enough accommodation for people who are homeless or threatened with homelessness.
 - Ensure there are adequate services to support people who are homeless or threatened with homelessness, or were previously homeless to prevent a reoccurrence of homelessness.
 - Suitably resource the delivery of the homelessness strategy.
- 3.7 In 2012 the Ministry of Housing, Communities and Local Government (now the Department for levelling Up Housing and Communities) distributed £20million to Local Authorities to provide a safety net to help reduce mortgage repossessions.
- 3.8 The amount available for Eden District Council stands at £30,000. The Policy sets a maximum grant of £5,000 per applicant which means that we can support up to at least 6 households, but likely more. We currently do not get a significant amount of homelessness presentations from homeowners, however under the current economic climate that may change and it means we are in a position to assist families who face eviction for mortgage arrears.
- 3.9 This funding received is subject to certain criteria; it therefore needs to be used to prevent mortgage repossession in a way which will enable the local authority to develop sustainable support over a longer period than one financial year.
- 3.10 The Policy and Procedures to spend the funding designated for preventing repossession details how the Council proposes to use the funding and contains a fair and transparent process for allocation.
- 3.11 The Council will make relevant organisations eg CAB, homeless charities, banks, building societies etc aware of this fund and advise on how it can be accessed.
- 3.12 Eligible applicants will be assessed by Eden Housing Association, as our Housing Options & Homelessness service is currently contracted to them.
- 3.13 Only those who are assessed as unintentionally homeless or threatened with homelessness, will qualify for this assistance.
- 3.14 There is an option to apply a charge to the property in the event of default. It is though unlikely that a lender would agree to this. The principle must be prevention of homelessness and in the case of this policy, repossession. Further details are in the policy attached.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Sustainable;
- Healthy, safe and secure;
- Connected; and
- Creative

4.2 This report meets the Healthy, safe and secure corporate priority.

5 Consultation

5.1 The draft Policy and Procedures have been discussed with the Housing and Health Portfolio Holder, Legal Services, Finance and was considered at the Council's Corporate Leadership Team meeting on 10 August 2022.

6 Implications

6.1 Financial and Resources

6.1.1 Any decision to reduce or increase resources or alternatively increase income must be made within the context of the Council's stated priorities, as set out in its Council Plan 2019-2023 as agreed at Council on 7 November 2019.

6.1.2 There are no proposals in this report that would reduce or increase resources.

6.2 Legal

6.2.1 Due to the nature of the report the legal implications are considered within the body of the report.

6.3 Human Resources

6.3.1 None at this stage.

6.4 Environmental

6.4.1 None at this stage.

6.5 Statutory Considerations

Consideration:	Details of any implications and proposed measures to address:
Equality and Diversity	Positive implications, supporting people with limited financial resources and/or in vulnerable position. An Equality Impact Assessment has been carried out & is attached in Appendix 2
Health, Social Environmental and Economic Impact	There would be positive health and social impact arising from the recommendations of the report i.e. prevention of homelessness.
Crime and Disorder	There are no adverse crime and disorder implications arising from this report.
Children and Safeguarding	Positive implications, supporting people with limited financial resources and/or in vulnerable position.

7.5 Risk Management

Risk	Consequence	Controls Required
Demand for the fund exceeds resources.	The Council is unable to support future applications damaging its reputation.	Monitoring of spend.

7 Other Options Considered

7.1 The option of returning the funding was considered. Due to the current economic environment and the pressures on residents it was believed that utilising the funding would be preferable.

8 Reasons for the Decision/Recommendation

8.1 This report supports healthy, safe and secure corporate priority in the provision of a clear policy and procedure to utilise funding for the prevention of repossessions.

Tracking Information

Governance Check	Date Considered
Chief Finance Officer (or Deputy)	5 September 2022
Monitoring Officer (or Deputy)	5 September 2022
Relevant Assistant Director	18 August 2022

Background Papers: None

Appendices: **Appendix 1: Eden District Council Prevention Repossession Fund Policy & Procedure**

Appendix 2: Equality Impact Assessment

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District Council

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Approved by:
Date Approved:
Review Frequency:
Responsible Officer:

Eden District Council

Prevention Repossession Fund Policy & Procedure

June 2022

Accessibility Information

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Polish

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Traditional Chinese

若閣下要求，本文件的摘要資訊可以其他版式和語言版本向您提供。請聯絡伊甸區地方政府專員主任 (Eden District Council's Communication Officer)，其電話為：01768 817817，或發電郵至：communication@eden.gov.uk

Urdu

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1.0 Introduction

1.1 Eden District Council's Strategic Priorities 2021 – 2022 highlight the following:

Housing Strategy – we will develop an action plan to deliver our new housing strategy setting out our vision for affordable decent homes for our local people, and to help us retain our young people and families.

1.2 Eden District Council's Housing Strategy 2021 -2026 identifies three key priorities:

- Development of good quality new housing.
- Improving the condition of our existing housing stock.
- Improving access to housing for all.

The Strategy recognises the Council's statutory duties relating to Homelessness.

1.3 The Homelessness Reduction Act 2017 introduced a requirement for local authorities to provide improved advice and information about homelessness and the prevention of homelessness, alongside the extension of the 'threatened with homelessness' period. It also introduced new duties to prevent and relieve homelessness for all eligible people, together with a requirement for formal assessments and personalised housing plans to be drawn up.

1.4 Eden District published its Homelessness Strategy in July 2019 in compliance with the obligations found in the Homelessness Act 2002.

The Homelessness Strategy seeks to tackle all forms of homelessness, including those owed a statutory duty (typically families with dependent children, or vulnerable adults), and also people who are single, sleeping on the streets, or in other transient arrangements (e.g. sleeping on a friends' sofa).

1.5 The Homelessness Strategy details the following objectives:

- Reduce the current and future levels of homelessness.
- Prevent homelessness.
- Ensure there is enough accommodation for people who are homeless or threatened with homelessness.
- Ensure there are adequate services support to people who are homeless or threatened with homelessness, or were previously homeless to prevent a reoccurrence of homelessness.
- Suitably resource the delivery of the homelessness strategy.

1.6 Following the global Covid-19 pandemic and as a result of the war between Ukraine and Russia the Country is facing an economic downturn and an increase in the cost of living. An increase in homeless presentations is anticipated.

1.7 Eden District Council aims to assist those facing homelessness due to property repossession by mortgage lenders through the Prevention Repossession Fund.

2.0 What the funding will be spent on

2.1 Prevention Repossession Fund assistance is available to owner occupiers who have been assessed by Eden District Council's Housing Options Team as being 'At Risk of Homelessness' due to mortgage arrears.

2.3 The maximum assistance which may be applied for by any one household in relation to arrears outstanding on any dwelling is £5,000.

3.0 Who will be eligible to apply for funding?

3.1 To qualify the following criteria must be met:

- The applicant must have a local connection to Eden as defined in Section 199(1) Housing Act 1996
- The mortgage arrears must have arisen through genuine hardship – e.g. reduction in income
- The applicant must complete an income and expenditure assessment and agree a debt management plan.
- The debt management plan must indicate there is a reasonable expectation that payment of the arrears will enable the applicants to remain within the property beyond a twelve month period.
- The mortgage provider/secured loan lender must provide written confirmation of the total amount of outstanding debt.
- The mortgage provider/secured loan provider must provide written confirmation that the receipt of the proposed payment will stop repossession proceedings.
- The total prevention repossession funding owed to Eden District Council must not exceed £5,000 at any time.

3.2 Where more than one person is named on the deeds to the property all persons must sign the application form and agree to the funding terms and conditions.

4.0 How funding will be allocated?

4.1 Applicants will be required to complete and submit the application form at Appendix A.

4.2 The Housing Option Team at Eden Housing Association will undertake an initial assessment of the application using the criteria in Appendix B.

4.3 Application forms will then be submitted to the Housing Team at Eden District Council.

4.4 Final approval will be made by the Housing & Health Portfolio Holder.

5.0 Monitoring & Review

5.1 This Policy will be reviewed every three years to ensure that the fund is being put to best use to prevent homelessness through mortgage repossession.

6.0 Other considerations

6.1 The amount of funding available is finite and will be dependent on uptake.

APPENDIX A – Application for District Council Prevention Repossession Fund

1. Applicant name and address
2. Applicant contact details (email and telephone number)
3. Mortgage lender name and address
4. Mortgage lender contact details (named contact, email and telephone number)
5. Details of all loans secured against the property
6. Details of all balances outstanding including arrears

7. Details of other debts outstanding (gas, electricity, water, Council Tax, other loans)
8. Estimate of current market value of property
9. Summary of circumstances (reasons for arrears)
10. Copy of detailed debt management plan
11. Evidence that the mortgage lender has confirmed that repayment of the arrears will stop repossession proceedings
12. Funding requested
Signed
Date

Please Note: Where more than one person is named on the deeds to the property all persons must sign the application form and agree to the funding terms and conditions.

Return to: housingoptions@edenha.org.uk

Appendix B – Assessment Criteria (checklist)

- Details of loan outstanding received Y/N
- Details of arrears outstanding received Y/N
- Details of any other debts received Y/N
- Detailed debt management plan in place Y/N
- Estimate of the current market value of the property received Y/N
- Confirmation from the lender(s) that the repayment of the arrears will stop repossession proceedings. Y/N
- Is there a reasonable expectation that the applicant can repay any other debts/secure repayment plans? Y/N
- Has the applicant sufficient resources for the future maintenance of the mortgage payments Y/N
- Does this grant improve the applicants chance of remaining in the property for a period of over 6 months Y/N

Equality Impact Assessment Template

1. About the Policy/Service/Function

Name of Policy/Service/Function being assessed	Prevention Repossession Fund Policy & Procedure	
Job Title of Officer completing EIA	Housing Needs & Policy Officer	
Department/service area	Housing	
Telephone number and email contact	Claire.watters@eden.gov.uk 01768 212275	
Date of Assessment	20/4/2022	
Main aims and objectives of policy/service/function	Prevention of homelessness through the repayment of mortgage arrears	
Is this a	(please copy ✓ and place into appropriate box)	
<ul style="list-style-type: none"> • New Policy/service/function or a proposal? • Review of an existing policy? • A changing/updated policy/service/function? 	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>
Who are the stakeholders?	Residents of Eden at risk of homelessness due to property repossession	
	Housing Options Team	
	Mortgage lenders	

2. Gathering Relevant Information, Evidence, Data and Research

Consider the sources of information, evidence, data and research that will help you build up a picture of the likely impacts of your policy/service/function on the protected characteristic groups.

List your sources of information and what they tell you. (Refer to Section 7.0, Step 2 on page 6 of the Guidance Notes).

Information Source	Location of data/information (give a link here if applicable)	What does the data/information tell us?
Statutory Homelessness Data October – December 2021	Statutory homelessness in England: October to December 2021 - GOV.UK (www.gov.uk)	<p>Prevention duty owed: 27% single parents; 21% single males; 31% single females; 17% couples</p> <p>Relief duty owed: 9% single parents; 45% single males; 18% single females; 27% couples</p> <p>Prevention or Relief duty owed by age: 18- 24 13%; 25-34 33%; 35-44 8%; 45-54 18%; 55 – 64 13%; 54-74); 75+ 5%</p> <p>23% of those owed a Prevention or Relief duty were not working due to a disability. 25% were in full time work.</p> <p>In 93% of households owed a homeless duty the lead applicant identified as heterosexual; 5% identified as 'other' 2% preferred not to answer.</p>
Locata	Locata IT system	Sensitive personal information of all household members including any support needs
Customer Satisfaction Surveys	Eden HA Housing Options Team collect via Survey Monkey	Opportunities for customers to feedback their personal experiences both positive/negative
Eden DC Homelessness Review Document May 2019	Sharepoint – Env Health/Housing/Policy Strategy/Homeless Strategy/Review and Strategy 2019	Presentations are from predominantly white males aged 25-44 years.

3. Assessing the Impacts

From the information, evidence, data and research you have gathered, use this section to identify the risks and benefits for each of the different protected characteristic groups.

Protected Characteristic Group	Positive Impact or benefit (Y/N)	Negative Impact or risk (Y/N)	No impact (✓)	Details of likely impact(s)	How do you know?	Action required to address impact(s) Give justification if action not possible	Note any opportunities to promote equality
Age			✓				
Disability	✓						
Gender			✓				
Race			✓				
Religion or Belief (including non-belief)			✓				
Marriage and Civil Partnership			✓				
Pregnancy and Maternity			✓				
Gender Reassignment			✓				
Sexual Orientation			✓				
Rural Resident			✓	Customers unable to access service face to face	Lack of public transport. Office located in Penrith	Covid has shown that services can be accessed remotely	Officers can meet customers in alternative locations

4. Action Planning

What is the negative/ adverse impact or area for further action?	Actions proposed to reduce/eliminate the negative impact	Who will lead on the action(s)?	Resource implications/ resources required	When? (target completion date)	Monitoring Arrangements
Based on the data sources identified only a small proportion of Eden residents with protected characteristics are likely to be affected by the implementation of this policy. Those individuals will be affected positively.					

5. Outcome of Equality Impact Assessment (tick appropriate box)

No major change needed - the analysis shows the policy is robust and evidence shows no potential for discrimination

Adjust the policy/service/function - alternatives have been considered and steps taken to remove barriers or to better advance equality. Complete the action plan.

Adverse impact(s) identified but continue - this will need a justification or reason. Complete the action plan.

✓

6. Review

Date of the next review of the Equality Impact Assessment	June 2024
Who will carry out this review?	Housing Needs and Policy Officer