

# Crawley Borough Council

	Report No: HSS/41	<b>G</b>
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## **Report to Executive**

**14 September 2005.**

### **REVISION OF PRIVATE SECTOR HOUSING GRANTS POLICY 2005.**

#### **1. Summary**

- 1.1. The purpose of the report is to revise the way in which the Council uses its powers under the Housing Grants, Construction and Regeneration Act 1996 and the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and recommend changes to grants policy.
- 1.2. House Renovation Grants and Home Repair Assistance Grants are not required by statute, but are made at the authority's discretion as part of its Private Sector Housing Strategy, a discretion that now includes the ability to replace such grants with loans. To enable funding to be used to greater advantage, the adoption of a policy of offering financial assistance by means of long term loans registered as a legal charge on the property concerned and recoverable on the sale and disposal of the property is recommended.
- 1.3. The other recommended change would introduce a system of Home Energy Efficiency Grants in order to enable home insulation grants to be made to certain low-income householders who do not qualify for other insulation grants such as "Warm Front".

## **2. Recommendations**

### **The Executive is recommended to:**

- 2.1. Agree to replace non-repayable discretionary housing grants with long term, interest free loans to be registered as a land charge against the property concerned and repaid on the sale and disposal of the property concerned.
- 2.2. Approve the making of Home Energy Efficiency Grants as part of the discretionary housing grants scheme.
- 2.3. Adopt the Private Sector Housing Grants Policy set out in the policy document, copies of which have been circulated separately to Executive Members, placed in the Members' room and are available on request from Democratic Services (tel 01293 438293)
- 2.4. Recommend the **full Council** to delegate to the Portfolio Holder for Housing any changes required to the scheme that do not increase the cost.

DIANA MAUGHAN  
Head of Housing Strategic Services.

### **3. Background**

- 3.1. The main aim of housing renewal assistance is to bring residential properties in private ownership up to the standard required for human habitation (known as “The Fitness Standard”), prevent those already fit from declining into unfitness, and reduce the number of homes which do not meet the decent homes standard but are occupied by vulnerable people.
- 3.2. The Private Sector Housing Strategy contributes to the Council’s strategic aims, objectives and priorities in the areas of affordable housing, community safety, and social inclusion. It has the following priorities:
  - To improve local house conditions in the owner/occupied and private rented sector;
  - To support the elderly and disabled to continue to live in their own homes;
  - To promote energy efficiency and tackle fuel poverty;
  - To keep to a minimum the number of vulnerable people living in non-decent homes;
  - To take statutory action (enforcing the fitness standard) where necessary;
  - To deliver a seamless service;
  - To work in partnership with the community.
- 3.3. The following types of assistance are currently available from CBC: Disabled Facilities Grants; House Renovation Grants; Home Repair Assistance Grants.
- 3.4. Disabled Facilities Grants (DFG’s) are not discretionary but are made within a framework of detailed regulations under a duty laid on the Council in a range of legislation. These will continue to be grants provided as set out in the existing CBC Private Sector Housing Strategy.
- 3.5. The Government’s Regulatory Reform Order 2002 (RRO) made significant changes to the powers of local housing authorities to offer financial assistance to home owners. It repealed much of the previous legislation governing the provision of renewal grants to homeowners regarding renovation grants, common parts grants, HMO grants, group repair and Home repair assistance and replaced it with a wider ranging power to provide assistance for housing renewal, effective from July 2003. The principal limitation on the use of the general power is that it must be used in accordance with a Policy that has been adopted and publicised. Information on the Policy must also be available to the public.
- 3.6. The Housing Policy Development Group considered the new powers in April 2003 and took the view that, for the time being, the existing policy should be adhered to and discretionary grants continue without being converted into loans. This decision involved no change in policy and was endorsed by the Executive Member for Housing.

- 3.7. In 2004 the Service Priorities Working Group (SPWG) supported a move from grants to loans on the basis that it would be to the Council's future advantage to make loans rather than discretionary grants because this will permit the recycling of monies recovered and result in a better use of financial resources. Following a review of policy and practice, this report sets out a mechanism for taking this change forward.

#### 4. Review of Policy, and Reasons for Change.

##### 4.1. Resources Allocated to Housing Grants.

Type of Grant.	Budget 2006/07	Budget 2007/08
Disabled Facilities Grants	£400,000	£440,000-00
Discretionary Grants	£150,000-00	£200,000-00

- 4.2. The only subsidy the Council receives towards Housing Grants is that for Disabled Facilities Grants, annually allocated by GOSE on the basis of the Government's assessment of the annual Housing Investment Programme return made by all housing authorities in the region, judged against the annual allocation for the region.
- 4.3. Funds allocated by the Council for discretionary grants are intended to cover House Renovation Grants, Home Repairs Assistance and Minor Works Grants. The total number of discretionary grants completed in 2004/5 was 14, a figure restricted entirely by the available budget.
- 4.4. Applications are prioritised according to the nature of the repair work required and the situation of the applicant as regards age, infirmity, income and savings. Additionally, the Council annually allocates £12000 towards the costs of the Mid Sussex and Crawley Home Improvement Agency which began work in the town in 2004 as the result of a partnership between CBC, WSCC, The Primary Care Trust, and Anchor Housing Association. The agency initially supports vulnerable householders by advising them as to the most appropriate solution for installing disabled facilities or repairing their home. If a housing grant is the best option it helps them through the whole process of applying, obtaining estimates for the work, and supervising builders.
- 4.5. The Council's existing policy makes no provision for repayment of grants and pays no attention to the considerable equity which could be realised from the properties concerned, especially where no mortgage is outstanding.
- 4.6. The suggested new policy (if approved and adopted) will alter that by making future discretionary grants in the form of a loan registered as a charge on the property, repayable on a sale and disposal of the property. It has regard to the guidance contained in the document "Housing Renewal Circular 5/2003 produced by the Office of the Deputy Prime Minister,
- 4.7. The other recommended key policy change is that the Council should introduce a Home Energy Efficiency Grant (HEE) in order to improve the energy efficiency of suitable residential properties and reduce fuel poverty. It will be an essential requirement of such a scheme that it be carried forward in partnership with external organisations – most likely the energy supply utilities

– who will themselves provide some grant monies and practical assistance to householders. Measures to be implemented will normally include loft and cavity wall insulation but might vary as initiatives develop. Where householders qualify for Warm Front grants this source of funding would be fully explored before any CBC grant could be made.

- 4.8. Home energy efficiency grants will only be available where partnership funding is available. The maximum grant per property will be £1000. Any applicant eligible for the Government's Warm Front Grant would not qualify for a CBC HEE Grant, and the qualifying group would be house-owners aged 60 or more who were dependent on their state pension as their only, or primary source of income.
- 4.9. There will be no imposed conditions relating to sale, occupancy, or disposal of the property on which a Home energy efficiency grant has been made.
- 4.10. The complete, detailed, Housing Grants Policy is set out in a separate document which, due to its length has not been included with the agenda. Copies have been circulated separately to Executive Members, placed in the Members' room and are available on request from Democratic Services (tel 01293 438293). The criteria for Home Energy Efficiency Grant is not yet included in the policy document as this requires the agreement of the selected utility company.

## **5. Ward Members' Views**

- 5.1. The policy affects all wards in the Borough.

## **6. Staffing, Financial and Legal Implications/Powers**

- 6.1. The West Sussex Energy Efficiency Advice Centre (WSEEAC) have worked in partnership with the Council promoting home insulation and energy efficiency and have confirmed they would administer the Home Energy Efficiency Grants on the Council's behalf. There are no additional staffing implications as a result of the recommendations in this report but there will be some additional legal and financial work in setting up and recording the charge on the property.
- 6.2. Additional capital provision has been made to meet the growing demand for financial support towards repairs. However, the increase is unlikely to be sufficient. Converting the grant to a loan will mean that in due course the loan will be recycled enabling further households to benefit from the scheme.
- 6.3. The cost to the council will be administration and a reduction in the value of the loan in real terms as interest is not being charged. However, the cost will be substantially less than under the existing grant scheme.
- 6.4. Grant applications approved under the terms of the existing Housing Grants, Construction and Regeneration Act 1996 prior to the coming into force of The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 will continue to be dealt with under those terms. However once the council has approved, adopted and publicised its Policy, it may give new assistance in accordance with The Policy.

## 7. Other Implications

- 7.1. In taking this decision consideration must be given to whether or not a change from grants to loans is likely to deter those in need from seeking the Council's assistance – because of the reluctance of some people to incur any debt whatever, even one which might be quite small when measured against the equity value inherent in their property; and if the deterrent effect is felt to be acceptable, on what terms the loans might be repaid.
- 7.2. One element of this is that in considering terms of repayment a view must be taken of whether the interest should be payable on loans made, and on what terms. If the loans are free of interest and the repayment requirement is simply that the original amount loaned should be repaid this is likely to have the least deterrent effect.
- 7.3. The alternative would be for interest to be charged and added to the loan value. If Members' are of the view that interest should be payable it is difficult to see what benefit an applicant would gain when compared with existing widely available methods of borrowing to finance house purchase or improvement.
- 7.4. The payment of interest could also deter applications from residents whose Culture and Faith rules out such payments, and it is suggested that if interest is required the Council should obtain advice from specialists in Islamic Finance before finalising the structure of loan agreements.
- 7.5. The scheme will be kept under close review in the first year and in order that any required changes can be implemented quickly, it is proposed that changes to the scheme be delegated to the executive member for housing provided that the cost to the Council does not increase.

## 8. Links to the Community Strategy and Corporate Plan

- 8.1. The proposals contained in this report relate to the following key areas of the Community Strategy

Local Economy		Health and Social Care	y
Affordable Housing	y	Community Safety	y
Lifelong Learning		Local Environment	y

The following key principles are applicable:-

(i) Working together	y
(ii) Dignity, respect and opportunities for all	y
(iii) Leaving no-one behind	y
(iv) Making it last	y

This report achieves the following aims as set out in the Corporate Plan

Providing high quality services	y	Giving exemplary customer service and satisfaction	y
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Being financially efficient and well managed

Developing motivated, positive and empowered staff

## **9. Reasons for the Recommendation**

- 9.1. Under the present policy, discretionary housing grants made by CBC are irrecoverable, except in the event of an applicant subsequently found to have breached the rules. The new policy will, over time, result in a better use of resources because the new loans will be repaid to the council as changes of ownership take place. Tracking of owners will not be required because each loan will be registered as a land charge and completion of any change of ownership will not be possible until the loan is discharged.
- 9.2. It needs to be recognised that whilst this new form of assistance will result in a better use of resources and, ultimately, a benefit to more people, the fact it is a loan - albeit free of interest and only repayable on a change of ownership - will deter some qualifying owners from applying.
- 9.3. The recommendation to introduce a Home Energy Efficiency Grant is based on the need to assist vulnerable and fuel poor households most at risk of fuel poverty, and the need to improve housing standards, helping to increase the number of private sector homes complying with the Decent Homes standards. Additionally, the Utility Companies have obligations to make funding available to supplement such grants and it is likely that CBC's input would be matched from this source, doubling the amount of money available.

## **10. Background Papers**

Crawley Borough Council Housing Strategy,  
The Regulatory Reform (Housing Assistance) (England and Wales ) Order  
2002  
Crawley Borough Council Briefing Note for Councillors re Home Repair  
Assistance Grants 9 July 2004.  
Housing Renewal Circular 5/2003 produced by the Office of the Deputy Prime  
Minister.

Contact Officer:- Keith Donaldson or Deborah Priebe.  
Direct Line:- 01293 438624.

Note:- This document relates to **agenda item 17, enclosure G (report no.HSS/41)** of the Executive Agenda for 14 September 2005. In view of its length it has not been included in the agenda but has been circulated separately to Executive Members only.

## **PRIVATE SECTOR HOUSING RENEWAL GRANTS POLICY**

### **Crawley Borough Council**

#### **1.0 Introduction**

1.1 The policy details contained in this document apply to all forms of discretionary financial assistance provided by Crawley Borough Council for private sector housing renewal.

1.2 The policy helps address the following housing priorities contained in the Council's Private Sector Housing Strategy:

- To improve local housing conditions in the owner/occupied and private rented sector;
- To support the elderly and disabled to continue to live in their own homes;
- To promote energy efficiency and tackle fuel poverty;
- To reduce the number of vulnerable people living in non-decent housing;
- To take statutory action (enforcing the fitness standard) where necessary;
- To deliver a seamless service;
- To work in partnership with the community.

These priorities, combined with other key themes of the Council's strategies, aim to achieve a more balanced housing market in Crawley.

1.3 The policy is based on the following key principals:

- ◆ Home owners taking responsibility for their property.
- ◆ Where possible, home owners should contribute to the cost of works as part of responsible home ownership.
- ◆ Where possible, property owners should utilise equity in their property before calling on public funds to assist them.
- ◆ Public funds are made available to assist those most vulnerable, in most need, and unable to assist themselves.
- ◆ Where possible, encouragement and guidance will be given to owners to help them maintain their properties. Where necessary, the Council will take appropriate enforcement action to discharge its statutory duties and achieve its objectives in relation to Private Sector Housing in Crawley.

#### **2.0 General Financial Assistance**

2.1 Objective: To bring properties up to the fitness standard and prevent unfitness, and reduce the number of properties occupied by vulnerable persons and failing to meet the decent homes standard, where repair is considered the most satisfactory course of action.

- 2.2 Available to owner occupiers and tenants with a repairing obligation across the whole of the Borough, in accordance with a priority system and means test.
- 2.3 Available for dwellings (which includes fully self contained flats, where the priority system is applied to the FLAT (i.e. the dwelling) not to common parts or other areas of the building).
- 2.4 The property must be unfit for human habitation and have sufficient priority to receive grant aid or there must be items of serious disrepair which will result in a property becoming unfit within five years.**
- 2.5 All applicants are means tested using the method of operation described in DTLR Circular 03/2002 and subsequent amendments.
- 2.6 A loan, known as a '**Renovation Loan**' may be paid for works which are required to make a property fit for human habitation and preventing unfitness from occurring.
- 2.7 The loan will include energy efficiency works such that at completion of works and where the structure of the building allows, the property will have been fitted with the following measures:
- loft insulation up to 10"
  - cavity wall insulation
  - insulation of water tanks and pipes
- 2.8 Where the applicant is eligible for a Warm Front Grant or other insulation grants are available this source of funding shall be fully explored before use of loan funding for energy measures.
- 2.9 Where a property is unfit a loan will be offered on the basis of the cost of the eligible works up to a maximum of £8,000. The applicant will be expected to fund costs in excess of £8,000 via other means. On completion of works the property must be fit for human habitation and meet the decent homes standard. The amount of loan is limited to £8,000 per dwelling over a ten year period.
- 2.10 Renovation and Repair loans will be registered as land charges and must be repaid when there is a change in ownership or tenure in accordance with criteria specified by the Head of Housing Strategic Services.
- 2.11 If, on inspection, a property is unfit for human habitation the council has a duty to take the most satisfactory course of action with regard to the property irrespective of the owner or tenant being eligible for a loan because of the priority system, the means test, or an applicant's preference not to pursue a loan offer because they do not wish to fund the shortfall. The council will encourage homeowners to undertake the necessary works and where possible provide guidance to assist homeowners maintain their properties. The council will also serve repairs or deferred action notices as appropriate to discharge their statutory duty. These notices are recorded on the Land Charges Register and are disclosed as part of the property search process.
- 2.12 Where a property is not unfit but has items of serious disrepair likely to result in a property becoming unfit within 5 years, the schedule of works will include

only those items. Properties in serious disrepair but not unfit will be subject to a priority assessment. Where a property is not unfit but has items of serious disrepair a loan known as a '**Repair Loan**' will be offered on the basis of the cost of eligible works up to a maximum of £5,000. The applicant will be expected to fund costs in excess of £5,000 via other means.

- 2.13 The loan will include energy efficiency works such that at completion of works and where the structure of the building allows, the property will be fitted with the following measures:
- loft insulation up to 10";
  - cavity wall insulation;
  - insulation of water tanks and pipes
- 2.14 Where a Renovation or Repairs Loan will not fully fund the eligible works, the Council will prioritise the work that the loan will fund.
- 2.15 Where the applicant is eligible for a Warm Front Grant or other source of insulation grant, this source of funding shall be fully explored before use of Council funding for energy measures.
- 2.16 Following completion of the works funded by a Renovation or Repair Loan the property shall be fit for human habitation and meet the Decent Homes Standard. In exceptional circumstances this requirement may be waived by the Private Sector Housing Manager in relation to Repair Grants only.
- 2.17 Loans are available for mobile homes and properties of non-traditional construction, taking into account the principle of most appropriate course of action.
- 2.18 Loans are not available for works of repair which are, or are likely to be, the subject of an insurance claim.
- 2.19 Loan assistance will not normally be available for works to a "lean-to", sun-lounge, outhouse, porch or part of a building which does not form part of the main structure. Works outside the curtilage of a dwelling will only be funded where they involve drainage, water or power supplies and where the written permission of the landowner on whose land the works are carried out has been obtained.

### 3.0 **Home Energy Efficiency Grant**

- 3.1 Objective: To improve the energy efficiency of residential properties and reduce fuel poverty.
- 3.2 Available to owners and tenants according to criteria agreed with organisations, e.g. Utilities, who provide partnership funding for the installation of energy efficiency measures. These measures will normally include loft and cavity wall insulation but may vary as initiatives are developed. Grants will be approved up to a maximum of £1,000. Where the applicant is eligible for a Warm Front Grant this source of funding shall be fully explored before use of grant funding for energy measures.

- 3.3 Home Energy Efficiency Grants are only made available where partnership funding is available.
- 3.4 There are no conditions relating to occupancy, sale or disposal of the property following completion of works funded by Home Energy Grants.

#### 4.0 **Houses in Multiple Occupation (HMO) and Common Parts Grants**

- 4.1 Grants are not available for HMOs or common parts within HMOs.
- 4.2 For fully self-contained flats see Section 2, General Financial Assistance.

#### 5.0 **Enquiry and Application Process**

- 5.1 The Council will operate a preliminary enquiry system with the objectives of informing householders as early as possible of their renewal options, minimising disappointment and achieving efficient use of Council resources.
- 5.2 All enquirers will be requested to complete a preliminary enquiry form which will enable an initial financial assessment to be undertaken and advice given to assist enquirers to understand their loan/grant entitlement or other renewal options. Advice and assistance will be provided to householders who experience difficulty in completing the form.
- 5.3 An application for grant assistance can only be made on a form provided by the Council. This is to ensure that the required information is provided by the applicant and to assist the Council in managing its resources. The form can be obtained by contacting the Private Sector Housing Team at the Town Hall, Telephone: 01293 438507. An application will be considered to have been duly made when all the required information has been received (details of which will be set out in the application form), together with appropriate accompanying information, i.e. completed application form, schedule of relevant works, at least two satisfactory itemised estimates, details of ancillary charges, details of resources to enable a means test to be undertaken, proof of title, and relevant certificates. The Council may require more than 2 estimates where it considers this to be appropriate.
- 5.4 Estimates for eligible works must not be submitted nor works undertaken for which invoices are submitted, by persons connected with the applicant. This includes members of the applicant's family, partners, or persons having an interest in the property for which an application is made.

#### 6.0 **Incomplete Applications**

- 6.1 Where information is considered by the Council to be incomplete, an application will not be regarded as being duly made and will only be deemed so when sufficient information and evidence has been supplied.

- 6.2 Applicants submitting incomplete applications will be given clear information about what is required to enable a full application to be duly made. The Council will return all incomplete applications after three months of the date of receipt if information and evidence requested has not been received by the Council.
- 6.3 The Council will approve or refuse a full application within six months of the date that it is considered duly made. The Council reserves the right to use the full six month period to determine the application should it consider it to be appropriate to do so, e.g. for the efficient use of resources.

#### 7.0 **Commencement of Works**

- 7.1 The Council will not approve a loan/grant application for works which have commenced prior to approval.

#### 8.0 **Fees and Ancillary Charges**

- 8.1 Fees and charges necessarily incurred in undertaking grant aided works will be considered for inclusion in any loan/grant which may be approved:
- i) Architects' and surveyors' fees. The amount allowed will be subject to a test of reasonableness which will take into account the level and extent of the service being provided. Ideally, two competitive and comparable estimates must be obtained by the applicant.
  - ii) Charges for any necessary planning, building regulation approvals or party wall agreement. Note: these approvals are the responsibility of the applicant.
  - iii) Charges made by a Home Improvement Agency up to a level agreed on an annual basis.
- 8.2 There will be properties where preliminary investigations will need to be undertaken before the extent of work can be agreed (e.g. electrical test and report, structural survey). In these cases the applicant will be liable for the cost of these services. If a loan/grant is later approved, the applicant may be reimbursed for some or all of these on production of satisfactory invoices.

#### 9.0 **Age Limits**

- 9.1 The Council will not entertain an application for a loan unless the property concerned was built or provided by conversion at least twenty-five years before the date of application.
- 9.2 Applicants must be eighteen years or over on the date of the application to be eligible for grant assistance.

#### 10.0 **Loans/Grants to Owner Occupiers**

- 10.1 The Council will not consider an application for a loan/grant unless the applicant has an owner's interest in all the land on which the relevant works are to be carried out. An owner's interest means a freehold interest or a leasehold interest where there is at least ten years of the lease left to run. Householders in shared equity schemes will be regarded as having an owner's interest provided the scheme involves at the outset the grant of a long lease.
- 10.2 Persons with a shared interest in the property must have an explicit responsibility for repair and maintenance or be eligible to apply for a grant with or without the other persons being a signatory to the application.
- 10.3 The financial resources of all joint owners with a grant eligible interest in the property will be taken into account when determining the amount of grant payable.
- 10.4 The written consent of all joint owners shall be obtained by the grant applicant(s) and submitted as part of the grant application.

#### 11.0 **Loans/Grants to Tenants**

- 11.1 Loans/grants are only available to tenants where they are required by the terms of their tenancy to undertake the proposed works. Financial assistance is available towards works that a tenant is required to carry out so long as they are eligible for a loan/grant. In the case of buildings containing flats an obligation to meet the cost of works may apply to parts of the building outside the flat and, if available a common parts grant may be appropriate.
- 11.2 Where a tenant has an obligation to undertake works they may still need to seek their landlord's permission before carrying out works. An application for loan/grant from a tenant will require a tenant's certificate as to the future occupation and the landlord will be required to provide a certificate of intended letting for the dwelling. The tenant is responsible for organising these certificates.

#### 12.0 **Certificates and Conditions of Occupation**

12.1 All applications for discretionary assistance must be accompanied by a certificate relating to the future occupation of the property and will not be considered to be a full application if such a certificate is not included.

#### 13.0 **Calculations**

- 13.1 The Council will take into account the following issues in determining the estimated expense and calculating the loan/grant:
- i) which works are eligible for financial assistance - the 'eligible works'
  - ii) costs which in the Council's opinion, having regard to published price schedules, local circumstances and experience, are properly to be incurred in carrying out the eligible works.

iii) costs properly attributable to preliminary or ancillary charges (see section 11.0) or charges incurred in relation to the application.

The combination of i and ii provide the eligible expense.

iv) the amount of loan/grant that will be paid will be subject to issues set out in i, ii, and iii above, the means test and criteria applying to specific grants detailed in this Policy document.

13.2 In the cases of Renovation and Repairs Loans the applicant's contribution will be calculated using the means test plus any costs over the relevant maximum loan limit.

When calculating the loan, the contribution calculated using the means test will be deducted from the cost of the eligible works prior to further grant calculations.

#### 14.0 **Approvals Procedure**

14.1 The Council will notify the applicant in writing within 6 months after the date of receipt of a full application whether the application is approved or refused. In the case of an approval, details of the eligible expense will be provided to the applicant along with the amount of grant the Council will pay. In the case of a refusal the reasons for the refusal will be provided to the applicant.

#### 15.0 **Requiring Information**

15.1 In order to satisfy itself as to the manner in which a grant improved dwelling is being occupied or in relation to any other conditions of the grant, the Council can require the owner or occupier to provide, within 21 days, a statement detailing how the property is occupied and/or details of any other information relevant to the application or loan/grant conditions.

15.2 It is a condition of a loan/grant that the owner/occupier complies with this requirement and failure to do so may result in the Council requiring repayment of the loan/grant.

15.3 Similarly, if the owner requires information from the tenant to enable them to comply with such a requirement by the Council, the tenant must provide such information as is reasonable for the owner to request and this requirement can be enforced as if it were part of the terms of the tenancy.

#### 16.0 **Timescale of Conditions**

16.1 Loan conditions remain in force indefinitely (unless specifically stated otherwise, i.e. in the case Home Energy Efficiency Grant) beginning on the certified date, and are binding unless they cease to have effect for one of the reasons mentioned below. They are binding on the person who provided/signed the Certificate as well as joint owners of a property and any subsequent owner of the property.

## 17.0 **Payment**

- 17.1 Requests for interim payments will be considered on their merits by the Council and should be accompanied by a satisfactory invoice. The applicant must indicate verbally or in writing that they are satisfied for an interim payment to be made. Such payments will be direct to the contractor and will not exceed 90% of the cost of the grant aided works.
- 17.2 Following receipt of written notification by the applicant that works are satisfactory, a satisfactory invoice, and confirmation by an officer, final payment will be made direct to the contractor undertaking the work. Only in exceptional circumstances will payment be made to the applicant who, in such cases, must make representation to the Housing Strategy Manager who will consider a change in payment arrangements in conjunction with the Private Sector Housing Manager.
- 17.3 The Council will endeavour to make payment within 30 working days following receipt of satisfactory invoices and notification by the applicant that works have been completed satisfactorily.

## 18.0 **Breach of Conditions**

- 18.1 In the event of a breach of a condition, the Council will demand full repayment of the loan/grant, but has the discretion to demand a lesser amount in exceptional circumstances.
- 18.2 Once a demand for repayment or breach of condition(s) has been satisfied, the conditions cease to have effect, as do the conditions relating to disposal of the property and all of the loan/grant conditions.

## 19.0 **Trusts**

- 19.1 Where a property is held in Trust, then, for the purpose of renewal options and financial assistance, the principles applied to applications made by owner occupiers will be applied, i.e. priority system, and means test applied to the person(s) having a repairing obligation.
- 19.2 A trustee or beneficiary applying for a grant must be able to fulfil all the normal grant conditions, e.g. relevant interest in the property and meet the conditions including providing the appropriate Certificate of Future Occupation.

## 20.0 **Sale and Disposal of Properties**

- 20.1 A disposal of either the whole or part of the property is a relevant disposal if it is a conveyance of the freehold or an assignment of the lease, or the grant of a long lease for a term of more than twenty years other than at a rack rent. An applicant shall be treated as having made a relevant disposal if they give to some other person the right to call for a relevant disposal of the dwelling.
- 20.2 If an owner occupier or landlord makes a relevant disposal before the certified date or after the certified date but before the end of the grant condition period (in the case of tenants' applications a period of ten years beginning on the

certified date), they will be required to repay grant to the Authority on demand. The repayment required will be repayment of any instalment that has been paid, or the whole loan/grant. Liability is binding in the form of a Local Land Charge on any person who is the owner of the dwelling during the loan/grant condition period or, in the case of a common parts grant, is a successor in title to the interest in the building which entitles the applicant to make their application.

- 20.3 Repayment of any loan/grant is the responsibility of the owner/occupier/landlord/trustee/ beneficiary, whichever is appropriate, but may be initiated by the Council making a demand. The Council has the discretion to demand a lesser amount.
- 20.4 The conditions for repayment do not apply if the disposal involves a conveyance on the freehold or an assignment of the lease:
- i) When the disposal is to provide an annuity income and the person concerned is entitled to continue to occupy the premises as their only or main residents;
  - ii) Where the person to whom it is made is the spouse or partner or member of the family, they have lived in the property for at least three years prior to the disposal and the spouse, partner or member of the family provides an "Owner Occupation Certificate" which certifies that they have an owner's interest in the dwelling, they intend to live in the dwelling as their only or main residence and agree to the conditions.
- 20.5 Criteria agreed by the Housing Strategy Manager will be used to consider any request for the Council to waive loan/grant repayment, e.g. medical reasons, financial gain, personal finances, suitability or alternative properties, personal circumstances.

## 21.0 **Applications Outside the Policy**

- 21.1 Where an application is received by the Council for financial assistance for private sector housing renewal but falls outside this Policy the application will be considered on its merits by the Private Sector Housing Manager in conjunction with the Housing Strategy Manager, within 6 months of it being received. The applicant will be informed in writing within 12 working days, of the decision resulting from consideration of the application.

## 22.0 **Conditions**

- 22.1 The Council imposes conditions with the aim of enabling efficient use of resources and preventing fraud and impropriety.
- 22.2 Any evidence of the applicant attempting to defraud/deceive the Council may result in the Council demanding repayment of the Grant in full and criminal/civil action as deemed appropriate.
- 22.3 Conditions are contained in an Appendix to this policy document.

### 23.0 **Enforcement**

23.1 In addition to the service by the Council of Repair Deferred Action notices (see Paragraph 2.14). The Council will consider using its compulsory purchase powers to bring long term empty properties back into use where owners of empty properties decline the offer of financial assistance or other renewal options.

### 24.0 **Policy Implementation**

24.1 This Policy and associated Conditions will commence on 01/09/2005. The Policy will be subject to ongoing review and a major review after 12 months from the commencement date.

24.2 Where the Council undertakes a major review, or if it is found necessary, it will publish a new Policy document.

24.3 Circumstances that might necessitate an early review include:

- ◆ a major change in the resources available for housing renewal,
- ◆ significant under-achievement of targets with a continuing trend,
- ◆ urgent housing issues arising which are not addressed and require a response quicker than the existing review procedure can deliver.

### 25.0 **Complaints**

25.1 The Council will consider complaints about the Policy or its implementation in the following ways:

- i) Where a complaint concerns the Policy and its content, complaints should be made in writing and submitted to the Housing Strategy Manager who will respond within 14 working days. All complaints and representations made with regard to the Policy will be taken into account when reviewing and amending the Policy.
- i) Where a complaint concerns the standard of service, action or lack of action in implementing the Policy the complainant will be referred to the Council's formal Complaint Procedure which is explained in a leaflet available from Council offices. The Council would always prefer to put things right if possible and complainants are advised to first contact the Private Sector Housing Manager to discuss the issues and allow this to take place.

## **LOAN/GRANT CONDITIONS**

### **1.0 Carrying Out and Completion of Works**

- 1.1 In approving an application for a loan/grant the Council will require as a condition of the loan/grant that eligible works are carried out in accordance with any specification they decide to impose.
- 1.2 It is a condition of a loan/grant that the eligible works must be commenced within 6 months and completed within **9** months from the date of the approval of the application. This period may, however, be extended by the Private Sector Grants Manager in consultation with the Housing Strategy Manager if they think fit, particularly where they are satisfied that the eligible works cannot be or could not have been carried out without carrying other works which could not have been reasonably foreseen when the application was made. The Council will cancel a loan/grant which exceeds either one or both of the timescales and require repayment from the applicant of any grant monies paid out by the Council up to the time of cancellation.
- 1.3 The eligible works must be undertaken by the contractor(s) who provided the estimate(s) included in the application. The Council may vary this requirement where it considers there is a genuine reason to do so and it is in the interest of achieving efficient housing renewal. Prior permission shall be obtained from the Council by the applicant before any change in contractor takes place. The use of a different contractor to one included in the application without the Council's permission may result in the Council's cancellation of the grant and/or repayment by the relevant person (see Condition 10.0)
- 1.4 The Council will consider re-determining a loan/grant approval where the eligible works cannot be completed without carrying out further works which were unforeseen or where the works are required to make the property fit for human habitation. Unforeseen works will only be considered for financial assistance by the Council where they could not reasonably have been foreseen and work has not been started prior to the work having been agreed as 'unforeseen work' by the Council.

### **2.0 Supervision and Quality of Works**

- 2.1 Responsibility for ensuring works are undertaken to the satisfaction of the applicant remains with the applicant or their representative, i.e. surveyor or architect. The Council is responsible for ensuring works are undertaken to its satisfaction, and inspections carried out by Council officers are not undertaken on behalf of the applicant.
- 2.2 Payment or all or part of a loan/grant is conditional upon the works being executed to the satisfaction of the Council irrespective of any other factors. Whilst agreement from the applicant will normally be required before works are deemed satisfactory for the purpose of payment, the Council reserves the right to either make payment or withhold payment without the applicant's consent, if it considers it appropriate to do so.

### 3.0 **Payments by Applicants**

- 3.1 Applicants must pay their contribution to loan/grant aided works and provide satisfactory evidence that payment has been made, i.e. a signed and dated receipt, before the Council will make any grant payment.
- 3.2 Where works are taking place in addition to loan/grant aided works but which are not grant aided and are funded by the applicant, these works must be completed and paid for by the applicant to the satisfaction of the Council before any payment will be made with respect to the loan/grant aided works.

### 4.0 **Notice of Relevant Disposal**

- 4.1 The applicant shall forthwith notify the Council of their intention to make a relevant disposal of any dwelling, building or house in multiple occupation with respect to which there is in force a condition related to disposal, and shall furnish to the Council any information reasonably requested by them in connection with such notification.
- 4.2. This condition shall have effect during the whole of the grant condition period.

### 5.0 **Energy Efficiency Survey**

- 5.1 Where an application for a grant is being considered, the Council may require the applicant to carry out an energy efficiency survey on the property and to execute such works as the Council considers practical, cost effective and likely to result in a significant improvement in the energy efficiency of the property, provided that any costs thereby incurred by the applicant are taken into account in the grant calculation.

### 6.0 **Insurance for a Loan/Grant assisted Property**

- 6.1 Throughout the loan/grant condition period the applicant or the person holding an insurable interest in the property shall arrange or maintain in effect buildings insurance for the property.

### 7.0 **Repair of Loan/Grant assisted Property**

- 7.1 Where the applicant has a duty or power to carry out works of repair to the grant-aided property they shall ensure that the property remains fit for human habitation and free from serious disrepair throughout the grant condition period.

### 8.0 **Repayment of a Loan/Grant**

- 8.1 In the event of a breach of any of the conditions set by the Council, the Council may demand payment from the applicant/owner/occupier/landlord/trustee/beneficiary, whichever is appropriate, a sum equal to the amount of the loan/grant paid or, as the case may be, any instalments of a loan/grant paid and the same shall be repayable

to the Council. The Council has the discretion either not to demand repayment, or to require payment of less than the full amount.

- 8.2 Any evidence of the applicant attempting to defraud/deceive the Council may result in the Council demanding repayment of the loan/grant in full and criminal/civil action as deemed appropriate.

#### 9.0 **Conditions Where Repayment Will Not Be Demanded**

- 9.1 The conditions for repayment do not apply if the disposal involves a conveyance on the freehold or an assignment of the lease:
- i) When the disposal is to provide an annuity income and the person concerned is entitled to continue to occupy the premises as their only or main residence;
  - ii) Where the person to whom it is made is the spouse or partner or member of the family and they have lived in the property for at least three years prior to the disposal, they intend to continue to occupy the property as their only or main residence and an "Owner Occupation Certificate" is provided which certifies they agree to the grant conditions.

Criteria agreed by the Private Sector Housing Manager will be used to consider any request for the Council to waive a loan/grant repayment, e.g. medical reasons, financial gain, personal finances, suitability of alternative properties, personal circumstances. Only if these criteria are met will the Private Sector Housing Manager be able to recommend that the council waive repayment.

#### 10.0 **Owner Occupation**

**In a case where a certificate of owner-occupation accompanies the application:**

- 10.1 It is a condition of the loan/grant that, where an owner makes a relevant disposal of the dwelling, following the date on which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date"), they will be required to repay the loan/grant to the Council.
- 10.2 This condition remains in force indefinitely (unless discharged by repayment) and is binding not only on the person who gives the certificate, but also on any subsequent owner, except that where an exempt disposal is made, the conditions as to repayment cease to have an effect. (An owner is required to notify the Council forthwith in writing of his intention to make a relevant disposal and to give the Council any information reasonably requested by the Council in that connection).

"Exempt disposal" means the conditions for repayment do not apply if the disposal involves a conveyance on the freehold or an assignment of the lease when the disposal is to provide an annuity income and the person concerned is entitled to continue to occupy the premises as their only or main residents;

- 10.3 If the applicant has submitted or been party to submitting information forming a loan/grant application or part of such an application which is found to be misleading or fraudulent and results in the applicant receiving a financial benefit then the application will be refused or grant cancelled.

In such instances, where payments have been made, the Council will demand repayment.