

PRIVATE SECTOR HOUSING RENEWAL ASSISTANCE POLICY

EFFECTIVE FROM April 1st 09
REVIEWED March 09

REVISION 6

This policy replaces the existing housing grants policy and seeks to reflect the initiatives encompassed in the Council's general housing strategy.

It recognises the principle that, in the main, owners should be responsible for the upkeep and repair of their own properties, however, it also accepts that there are some groups where assistance and/or Council intervention will be necessary.

The main priority within the policy continues to be the reduction in the number of non-decent properties within the district and to prioritise funding which results in direct gains for the district as a whole or allow elderly or disadvantaged occupiers to remain in their own homes.

In recent times the upturn in the economy has resulted in a significant increase in property costs which has consequently made it difficult for those wishing to enter the housing market for the first time. This policy recognises this difficulty and whilst not diverting from the overall principle of self-reliance looks at providing some assistance in certain cases.

The increase in property values has also had the effect of, in many cases, providing considerable equity especially in those properties owned by the elderly. Again this is recognised and the policy tries to introduce the concept of changing from reliance on grant-based culture to one of assisted personal responsibility.

The Council will continue to foster partnerships and liaise with other relevant bodies e.g. Care and Repair, Care Trusts, Social Services, Police etc. to enable us to provide the best possible service to our residents.

MAJOR HOUSING GRANT (MHG)

These grants are available only to owner- occupiers or leaseholders with at least five years lease remaining and who have a repairing responsibility .The property to be repaired must be their only or main residence and must have been in their ownership for at least three years. (Exception for first time buyers-see below).

It is the aim of this policy to introduce a grant which will be fully repayable upon the sale or transfer of the property. (N.B There will be certain exemptions as detailed later in the document.) No interest will be charged on the monies when repayment is made.

These grants are available to qualifying applicants for the purpose of bringing houses, which fail the Governments definition of a Decent Home up to the minimum standard and it would be a condition of the grant that all relevant thermal insulation measures were undertaken

Applicants will have to undertake a test of resources and eligibility would depend on both the condition of the property and the financial standing of the applicant.

Targeting

To ensure effective targeting of funds it is proposed that the following eligibility criteria be adopted.

- 1) The property must be identified as not meeting the Decent Homes Standard as defined at the date of application
- 2) The property must be within Council Tax Bands A-E
- 3) The works must include all those necessary achieve the Decent Homes Standard
- 4) The property must have been built or provided by conversion, at least ten years prior to the date of application.

Test of Financial Resources

- 1) The test of financial resources will follow the test used in assessing a clients contribution under the Disabled Facilities Grant regime and will be the test in force at the date of receipt of a complete application (see appendix 2).
- 2) In order to assist first time buyers who buy a property within Council Tax bands **A -D** the Council will, within one year of purchase, make an allowance against income equal to their mortgage payment when undertaking the test of financial

resources. **N.B. To qualify as first time buyer, applicant and partner must not have had an interest in any property, either alone or with a previous partner prior to the purchase of the property to which the application relates.**

Maximum Assistance/Grant

- 1) The maximum grant awarded will be £15,000. (This can be increased to £20,000 only with the agreement of the Executive member for Housing)
- 2) Any applicant with an assessed notional contribution in excess of £8,000 will not be offered a grant, however we will direct appropriate applicants to Care and Repair for advice on alternative funding sources.

Repayment

As stated the intention of assistance is to enable the applicant to live in a property which meets the Decent Homes Standard, it is not intended to fund applicants who intend to resell the property with a view to making a profit.

The grant awarded will be fully repayable upon the sale or transfer of the property. The applicant can pay the grant off in full at any time

Note: A legal charge will be placed on the property to ensure repayment

The only exception to this is where the property is sold with the intention of the occupier entering full time residential care, in which case no part of the assistance will be reclaimed.

Successive Grants

As the grant is intended to ensure that the Decent Homes Standard is met successive grants will only be entertained where the property is identified with a Category 1 hazard which did not form part of the original application.

Successive applications that result from lack of maintenance will not generally be entertained.

LANDLORDS ASSISTANCE (LA)

In providing funding to landlords to improve their properties it is recognised that they have a statutory duty to ensure that their tenants occupy houses which are free from category 1 hazards and any funding offered must reflect this basic principle.

Existing Occupied Houses

It is not considered appropriate to award grants to landlords who have a clear duty to ensure that properties they let are free from category 1 hazards. It is proposed that properties needing repair will be dealt with in accordance with the Departments enforcement policy.

Vacant Properties

Assistance will be awarded to encourage landlords to bring back empty homes into use. Because of the potential gain to the Council it is considered appropriate to remove the category 1 criteria and to award grants to make the property habitable , including the provision of basic heating facilities. The standard to be achieved will be the "Decent Home Standard" prescribed for Social Housing (see appendix 3) Assistance will also be offered to landlords to convert space over shops to provide living accommodation where the existing building is non residential, subject to Planning consent being obtained.

- 1) The assistance will take the form of a grant and will be 40% of the total cost of the approved works up to a maximum of £6,000.
- 2) Where the landlord provides nomination rights to the Council (or its agent) for the full 5 year period then this assistance will be increased to 80% up to a maximum of £12,000

General Conditions

The following conditions will apply:-

- 1) The applicant must make the property available for letting for a period of 5 years.
- 2) The grant will be repayable in full if the property is sold within 5 years
- 3) The grant will be repayable in full if, through the neglect of the owner , the property displays a category 1 hazard within this 5 year period.

Conversion Assistance (CA) (To form self-contained flats)

To meet the need for smaller self contained units of accommodation the Council will assist in funding the conversion of houses into smaller self-contained units. The property will not need to exhibit a category 1 hazard to be eligible however it must be capable of providing useful accommodation when converted and must satisfy the "Decent Homes Standard" as detailed above.

- 1) The assistance will take the form of a grant of 40% towards the cost of identified works up to a maximum of £6,000 regardless of the total number of units being provided.
- 2) Where the owner agrees to give nomination rights to the Council (or its agent) for the full 5-year period this grant will be increased to 60% up to a maximum of £9,000 regardless of the number of unit being provided.

General Conditions

The following conditions will apply:-

- 1) The applicant must make the property available for letting for five years
- 2) The grant will be repayable in full if the property is sold within five years
- 3) The grant will be repayable in full if, through the neglect of the owner, the property displays a category 1 hazard within this five year period.

HOUSES IN MULTIPLE OCCUPATION ASSISTANCE (HMOA)

Multiple occupation houses potentially represent the poorest accommodation, however there is an undisputed case for its provision within the district. To take into consideration the inherent problems with these type of properties, and to try and foster a closer relationship between the Council and landlords it is proposed to offer grant aid only to those landlords who work with the Council in its aim to improve the conditions in this type of house.

The Council will offer grant aid towards the repair/upgrading of existing multi-occupied houses and for the conversion of existing houses into houses in multi-occupation where there will be an incentive to allow the Council to allocate tenants.

Repair/ Upgrading

1) Non-Licensable HMO's

The assistance will take the form of a grant of 25% towards the cost of identified works up to maximum of £5,000 regardless of the number of units of accommodation.

This assistance will be reduced to NIL where statutory notice (other than a notice of intent) is served and in these cases appropriate action will be pursued in accordance with the Departments enforcement policy.

2) Licensable HMO,s

To recognise the additional fire safety requirements necessary in this type of property the grant will be increased to 50% with a maximum of £10,000 being payable regardless of the number of units of accommodation.

This assistance will be reduced to NIL where statutory notice served (see above)

Conversion to form H M O

1) Non-Licensable HMO's

The assistance will take the form of a grant of 40% towards the cost of conversion up to a maximum of £8,000, regardless of the number of units being provided.

This assistance will be increased to 60% (maximum £12,000) where the Council (or its agent) is given tenant nomination rights a level which will be agreed prior to the grant being approved.

3) Licensable HMO's

To recognise the additional fire safety requirements necessary in this type of property the grant will be 60% of the cost of the works of conversion up to a maximum of £12,000

This assistance will be increased to 70% up to a maximum of £14,000 where the Council (or its agent) is given tenant nomination rights at a level which will be agreed prior to the grant being approved.

General Conditions

The following conditions will apply :-

- 1) The applicant must make the property available for letting for five years
- 2) The whole grant will be repayable if the property is sold within five years.
- 3) The grant will be repayable in full, if through neglect by the owner, the property displays a category 1 hazard or falls below the Councils adopted standards for Houses in Multiple Occupation within this five year period.

MINOR WORKS ASSISTANCE (MWA)

This is a grant towards the cost of undertaking repairs not covered by the Decent Homes standard but if left would have a detrimental affect on the fabric of the dwelling or mobile home. It is available only to home owners who are in receipt of an income related benefit (Income Support, Council Tax or Housing Benefit, Income based Job Seekers Allowance, Guaranteed Pension Credit)(see e. below)

It will also be available to tenants (on benefit as above) who have a clear repairing responsibility or for works at a tenanted property for which the owner has no statutory liability e.g. security upgrading.

Where a property is identified as not meeting the Decent Homes standard then the client will be directed to apply for a MHG.

- 1) The property must have been built or provided by conversion at least ten years prior to date of any application. (N.B. This does not apply to mobile homes, Warm Front top ups or to grants for security following Police referrals)
- 2) The maximum grant will be £1,000. This can be in a single or multiple applications however the total awarded must not exceed £1,000.

Other Works eligible for Grant Aid

- a) Adaptations. These will include assistance to help someone adapt their home to accommodate an elderly or frail relative. In addition it could be used to carry out minor adaptations to facilitate hospital discharge or to meet the needs of a disabled occupier .**N.B Where an applicant is registered disabled and the works required are substantial then they will be directed to Social Services for an Occupational Therapist assessment**
- c) Home Security. These works can include the installation of Care Call system or the installation of home security measures (these works will be agreed after consultation with the crime reduction officer)
- d) The Operations Director or his deputy will be authorised to direct some part of the grant budget to meet the needs of certain projects or client groups e.g. falls prevention , hospital discharge scheme, handyperson/safety scheme etc.
- e) Where the applicant is eligible for a Warm Front grant a MWA grant can be awarded, up to the maximum, to fund any shortfall. (**entitlement criteria different and include DLA etc – see Warm Front Scheme**)

DISABLED FACILITIES GRANT

These are grants that are made available to owner-occupiers and tenants who are registered or registrable as disabled. The aim is to enable them to adapt their properties, as far as is practical, to meet their specific needs.

There are two distinct funding requirements for this type of assistance:

1) Mandatory Works

These are works detailed in the relevant legislation for which a Council has a **duty** to offer grant assistance. The amount of assistance and conditions imposed are laid down in the legislation and the Council will offer assistance in accordance with this requirement.

2) Discretionary Works

There are two situations where grant aid could be considered for discretionary works;

- a) Where the application relates to wholly discretionary works. In these situations the case will be presented to the appropriate Committee for consideration where the cost of the scheme exceeds £10,000.
- b) Where the cost of a scheme for mandatory works exceeds the maximum grant payable under the legislation the Council **may** provide assistance towards meeting all or part of these additional and discretionary costs.

N.B Priority will be given to mandatory grants and discretionary grants will be funded only if funds permit.

REPAYMENT LIABILITY (Owners only)

If, within 10 years of the certified date (date of final payment) the property is sold or transferred any grant paid will be repayable, however the first £5,000 is exempt from repayment and the maximum that can be claimed back by the Council is £10,000.

Any appeals against this requirement will be considered by the Operations Director and the relevant Portfolio Holder.

This policy details the requirements and necessary criteria to be met in order to receive assistance from the Council towards the cost of repairing, converting or adapting your home.

It also indicates the conditions imposed relating to future occupation and the situations where all or part of the assistance will become repayable.

The policy will be reviewed every year or as the result of major legislative changes, however, amendments that might result from minor changes in legislation will be introduced to the policy at the time they occur

Delegation

At present the Operations Director has delegated powers to determine grants within the existing policy. It is proposed that this delegation should continue with the appropriate Portfolio Holder being asked to consider any request to award an MHG over £15,000, waive grant repayments or to approve applications for discretionary disabled facilities grants where the proposed works cost in excess of £10,000.

NOTE:

**THE ABOVE GRANTS WILL ONLY BE OFFERED IF
ADEQUATE FINANCIAL RESOURCES ARE AVAILABLE.**

APPENDIX 1

All references to category 1 hazard in the policy refer to bandings A-C in the Housing Health and Safety Rating System introduced by the Housing Act 2004.

This is a method of identifying those matters which produce a risk to the occupiers of the dwelling. The level of risk is banded between A-I with bands A-C (category 1) representing the highest risk. Further information can be found on www.odpm.gov.uk or by contacting a member of the public health and housing team

APPENDIX 2

The aim of the Council's grant scheme is to provide assistance to those who can least afford to pay for the necessary works. In order to ensure that those who can afford to contribute do, every applicant (except landlords) will be asked to undertake a test of financial resources (means test).

This test establishes what, if anything, the applicant will have to contribute to the scheme.

Who is included in the means test?

All relevant persons with an interest in the property, including:

- The applicant and any partner
- In the case of disabled facilities grants, the disabled occupant and partner, if appropriate, or the parents of any child under 18 years (under review).

The Test of Resources

The test calculates average weekly income and takes account of savings above a limit set by central government. This figure is then set against an assessment of basic needs based on allowances again set by central government.

If the assessed resources available to the applicant are less than the assessment of needs, then there will not be any contribution to be made. Where the assessed resources are above the assessment of needs, then this available income will be used to calculate the applicant's contribution towards the scheme.

APPENDIX 3

A "Decent Home" is one which is wind and weather tight, warm and has modern facilities and meets the following criteria:-

- a) It meets the current statutory minimum standard for housing
- b) It is in a reasonable state of repair:
 - deemed to fail if one or more key building components are old **and** because of their condition need replacing or major repair
 - deemed to fail if two or more other building components are old **and** ,because of their condition, need replacing or major repair.
- c) It has reasonably modern facilities and services. Deemed to fail if it lacks three or more of the following:-
 - A reasonably modern kitchen (20 years old or less)
 - A kitchen with adequate space and layout
 - A reasonably modern bathroom (30 years old or less)
 - An appropriately located bathroom and WC
 - Adequate insulation against external noise (where external noise is a problem)
 - Adequate size and layout of common areas
- d) It provides a reasonable degree of thermal comfort:
 - Dwelling required to have both effective insulation and efficient heating.

Further guidance and explanation is available on www.odpm.gov.uk or by contacting a member of the public health and housing team.