



Private Sector Housing Financial Assistance Policy

2015 - 2018

If you need this information summarised in another language or format such as Braille or talking tape, please call the number below.

إذا اردت معرفت ملخص هذه المعلومات باللغة العربية اتصل علي الرقم التالي

Arabic

আকারে এই তথ্যটি পেতে নিচের নম্বরে ফোন করুন:

Bengali

假如您需要這份資料的中文摘要，請致電下面的號碼。

Chinese

اگر آپ کو یہ معلومات اردو میں درکار ہیں تو اس نمبر پر کال کیجیے۔

Urdu

Jezeli potrzebujesz streszczenia tych informacji w jezyku polskim zadzwon prosze na ponizszy numer

Polish

ਜਾਂ ਤੁਸੀਂ ਇਹ ਖਬਰ ਦਾ ਨਿਚੋੜ ਪੰਜਾਬੀ ਵਿਚ ਚਾਹੁੰਦੇ ਹੋ, ਤਾਂ ਕਿਰਪਾ ਬੱਲੇ ਦਿੱਤੇ ਹੋਏ ਨੰਬਰ ਤੇ ਸੰਪਰਕ ਕਰੋ।

Punjabi

यदि आप यह जानकारी का संक्षेप हिन्दी में चाहते हैं, तो कृपया निचे दिए हुए नम्बर में सम्पर्क करें।

Hindi



03000 268000

8.4 Private Sector Housing Renewal Financial Assistance Policy - Contents Page

Introduction	3
Consultation	5
Objectives of the Policy	6
Advice, Practical Support and Financial Assistance	7
Loan Assistance	9
Other Assistance	14
Financial Assistance Costs	18
Financial Assistance Conditions	19
Equal Opportunities Statement	25
Confidentiality and Data Protection Statement	26
Contact Details	27
Complaints, Compliments and Appeals	27
Appendix A - Guidance - Decent Homes Standard	28
Appendix B - Guidance – Disabled Facilities	29
Appendix C – How the Loans Work	32

Introduction

1. Background

- 1.1 This document sets out the approach in Durham to the provision of financial assistance. The Policy complements the range of measures employed by the Council, aimed at improving and maintaining healthy living conditions within the existing housing stock and specifically seeks to help homeowners to improve, repair and adapt their properties. Whilst the Policy will target assistance at those who are elderly, disabled or on a low income, assistance will also be targeted at preventing decline within neighbourhoods in need of support.
- 1.2 The Policy has been produced to reflect the provisions of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. This Order repealed much of the existing prescriptive legislation governing the provision of grants and replaced it with a more general power to provide a range of forms of assistance.
- 1.3 The Policy includes financial assistance for housing related purposes that is provided by the Council in accordance with the Localism Act 2011.
- 1.4 The Policy includes a range of loan assistance types, and places emphasis on testing a client's ability to contribute to the cost of works. This is in line with the Governments view that "*it is primarily the responsibility of homeowners to maintain their own property*"¹, and with the Councils commitment to ensure that limited public resources are used responsibly. The Policy focuses on providing financial options for those who are excluded from mainstream sources of finance. The combination of loan and grant products and the ability of the policy to tailor financial assistance to meet individual needs, will contribute to the sustainability of the Financial Assistance Policy in the longer term.
- 1.5 This Policy sets out the advice, practical support, and financial assistance, that is available, together with the eligibility criteria and the conditions that will be applied and brings together assistance which is made under alternative statutory powers such as the provision of mandatory Disabled Facilities Grants under the Housing Grants Construction and Regeneration Act 1996 (as amended).
- 1.6 The policy underpins the housing strategy, as well as other key documents within Durham, including the; Sustainable Community Strategy, Health Improvement Plan, Strategic Housing Market Assessment and the Council Plan, the policy will also contribute to meeting the Council's vision "An Altogether Better Place that is Altogether Better for People"

¹ Office of the Deputy Prime Minister Circular 05/2003 "*Housing Renewal*".

2. Funding

- 2.1 The award of any financial assistance under this Policy is subject to the availability of funding having regard to the capacity of the Capital Investment Programme approved budget and this may vary on an annual basis. All financial assistance (excluding Mandatory Disabled Facilities Grant) is provided at the discretion of the Council. Priority for assistance will be given to those households living in the poorest economic circumstances, in the worst housing conditions, or in areas specifically designated by the Council which may be in line with wider Regeneration priorities.

3. Delivery

- 3.1 This policy has effect from 1st April 2015.
- 3.2 The policy will be subject to continuous monitoring and an annual review to ensure that it remains suitable and is contributing to achieving strategic housing objectives in the most effective way. An assessment of the outputs and the outcomes achieved by the Policy will be made. These will include, among others; the number of households supported in carrying out repairs, improvements or adaptations and an examination of whether their increased confidence as a result of practical support through the process would make them more likely to carry out further works; the number of households who have been able to continue living independently after receiving assistance. Where certain changing circumstances have a significant impact on the operation of the policy, necessary changes will be made to the policy. Changes could include financial limits, changes in legislation, and changes in local or national housing policies. All changes will be subject to local Cabinet approval.

Consultation

4. The policy has been produced following consultation with a variety of key stakeholders and residents from across the County, including: -
 - Senior Management within Regeneration and Economic Development, Durham County Council
 - Strategic Housing Partnerships across the County
 - Senior management within Childrens and Adult Services, Durham County Council
 - Senior housing staff within Durham County Council
 - Senior staff within financial and Legal Services within Durham County Council
- 4.1 Consultation will continue to be carried out throughout delivery and review of this policy.

Objectives of the Policy

5 The Policy has a number of objectives, which are:

5.1 To improve and maintain healthy living conditions within private sector housing, specifically helping homeowners on limited incomes to repair, improve or adapt their properties and so facilitate independent living;

This may include;

- Advice, guidance and financial assistance to tackle the existence of Category 1 Hazards under the Housing Health and Safety Rating System (HHSRS); the minimum standard for housing and to improve homes to be wind and water tight, safe and warm, giving priority to people with disabilities, older people and those who are on low incomes, who are otherwise excluded from accessing reputable forms of finance. For details of the works that may be assisted see Appendix A.
- The provision of mandatory disabled facilities grants, and financial help for people with impairments to move to alternative private or affordable housing when their existing homes are unsuitable for adaptation or to assist with the funding of adaptations that exceed the mandatory disabled facilities grant limit.
- Financial Assistance towards the conversion of properties into larger family homes to meet local housing need

5.2 To contribute to the regeneration of areas suffering from market vulnerability, and to tackle poor housing conditions in areas where these may contribute to neighbourhood decline;

This may include;

- Tackling low confidence in neighbourhoods through the provision of financial assistance towards works to improve the visual appearance or security of homes
- The provision of financial assistance towards works that will enable problematic empty homes to be brought back into use.
- Financial assistance to encourage tenure change in areas where the number of rented properties is disproportionately high, and where this is linked to a poor perception of the area. This may include provision of assistance to first time buyers.
- Financial assistance to help those affected by the Council's plans for property clearance to relocate to a more suitable home and to improve the replacement home to a Decent Standard if this is required.
- Financial assistance to encourage the improvement of privately rented properties beyond statutory minimum standards.

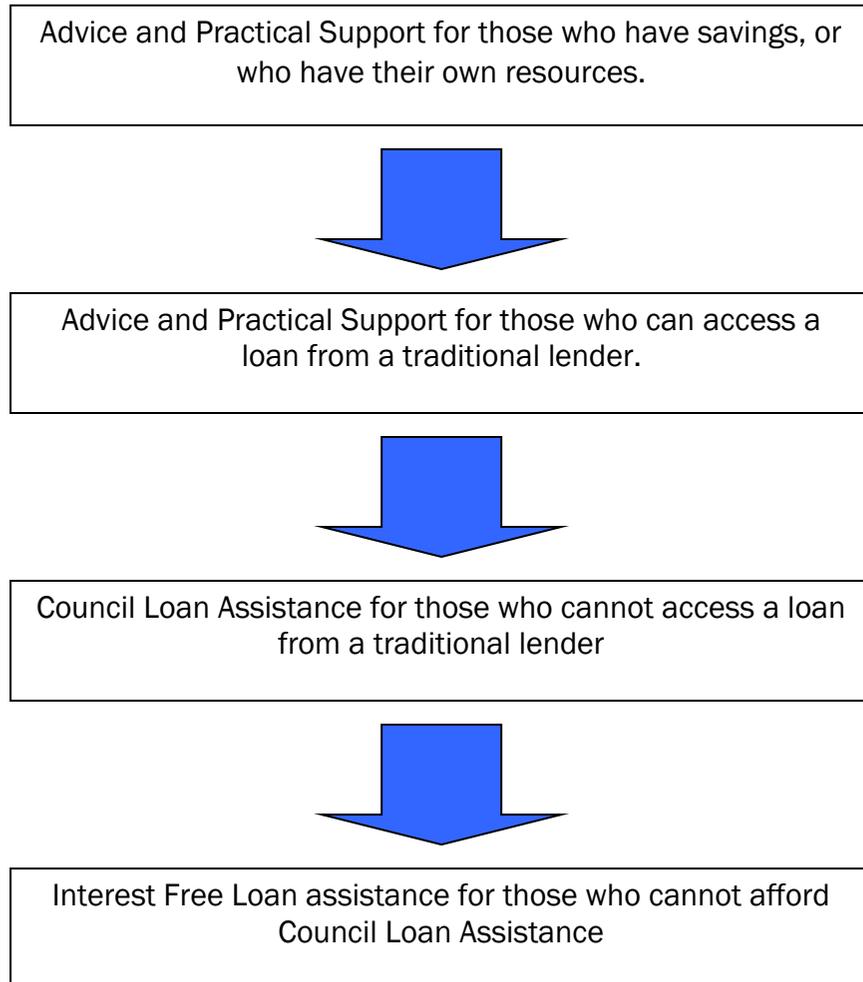
5.3 To encourage owners to undertake works that will make their homes more energy efficient and to reduce the number of people affected by fuel poverty.

This may include;

- Contributing to the costs of measures that will enhance thermal comfort through Energy Efficiency schemes where these exist, particularly where a client is eligible for assistance and is unable to afford their Client contribution.

Advice, Practical Support and Financial Assistance

- 6 This chapter of the policy sets out the types of assistance that are available, and explains in more detail the ‘hierarchy of assistance’ of the Repayment loans first, interest free loans as a last resort principle around which this Policy is based;



6.1 Advice and Practical Support

6.1.1 Advice is available to all Clients to enable them to make informed choices about the options available to them for home improvements, adaptations and relocation. Specifically in relation to:

- Identify what works are required to repair or improve the home to ensure the property is wind and water tight, safe and warm.
- Personally carry out home maintenance, preventative and improvement works or access the local ‘Handy Person’ Service where they are eligible for help.
- Understand what the work may cost if a contractor is required, and consider the options for funding the work, this may include helping to consider charitable or family funding, use of insurance cover, or how an Independent Financial Advisor may be able to help.
- Select a contractor to carry out the works, including the provision of a list of suitable designers, contractors and agents.
- Decide whether staying put or relocation offers the better solution for their circumstances

6.1.2 Where a Client is eligible for financial assistance toward the cost of work (this is explained in Chapters 7 and 8), the Councils Home Improvement Agency will make sure that all work is carried out to a high standard, by inspecting the work and communicating with the contractor.

6.1.3 If a Client is able to fund the cost of the work, but requires further support to obtain and assess estimates, and to select, appoint and manage a contractor, a Project Management Service may be available for a small fee.

6.2 Financial Assistance

6.2.1 Information from the client relating to their finances and the works they require financial assistance towards will be used to determine the type and level of assistance (if any) that would be most appropriate to suit their personal circumstances.

6.2.2 This affordability test includes consideration of income, such as any salary and benefits that are received, and outgoings, such as an existing mortgage, any loan repayments as well as living costs. Living costs may include the cost of household bills and running a car. These costs will help the Council to calculate whether the Client might be able to access affordable credit from a bank or building society or whether the Client could reasonably make repayments on any loan that the Council may be able to provide. A property valuation will be undertaken in order to assess the potential for releasing the value of any equity.

6.2.3 Where the test determines that a client has sufficient income or equity to meet the cost of the works from a mainstream source they will be offered information and practical assistance to help them to carry out any works that are required, or to move home if appropriate. They will not be eligible for financial assistance from the Council.

6.2.4 Clients whose financial circumstances exclude them from accessing finance from a mainstream source shall, subject to the availability of funds, be considered for the forms of financial assistance from the Council contained within sections 7 and 8 below. In order to ensure that any lending is responsible, access to Independent Financial Advice may also be made available to help a client to choose the most suitable means of funding the cost of work required.

6.2.5 The hierarchy of assistance will not apply to the following forms of assistance, though they each have specific eligibility criteria;

- Mandatory Disabled Facilities Grant. See section 8.1.
- Area Based Assistance. See section 8.3.
- Empty Homes Loans 8.4

Loan Assistance

7 Financial Assistance Loans

The Council offers 3 types of loans: -

- Repayment Loan (Capital and Interest)
- Equity Loan
- Interest Free Loan

A combination of loans may be required to suit a clients individual financial circumstances.

Loan	Eligibility	What can the loan be used for?
<p>7.1 <u>Capital and Interest Repayment Loan</u></p> <p>This is a loan, for Clients who are able to make monthly repayments. The interest rate will be fixed, so that the monthly repayment will always be the same, and the amount of interest that will be charged will be known to the Client at the beginning of the loan. The monthly repayment will consist of an interest payment, and a reduction in the amount of capital owed. This means that with each payment the interest is recalculated, the fairest way of charging interest.</p> <p>Clients can borrow up to £15,000, over a term of 1-15 years.</p> <p>The repayment period will depend upon the circumstances of the individual, and the amount borrowed. The Council will use the affordability test to make sure that monthly repayments will be affordable – no more than one third of the monthly disposable income, and will provide help and support should the client experience difficulty in meeting repayments.</p> <p>There will be no penalties should the client be able to overpay, or repay the loan early in full. This means that repaying the loan early</p>	<p>This loan is available to Clients who own their own homes but who are unable to access a commercial loan on reasonable terms, but who are able to make regular repayments.</p> <p>The loan will be available to landlords for the following purposes;</p> <ul style="list-style-type: none"> • to bring an empty property back into use or to carry out works to meet need for family sized homes. Such works may also be eligible should they not be financially viable without assistance from the Council. The 	<ul style="list-style-type: none"> • To carry out works that will contribute to the property being wind and water tight, safe and warm • To assist an applicant to make their contribution towards works funded by a Disabled Facilities Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, or to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix B. • To assist a client who is not able to make their contribution towards a Government funded Energy Efficiency Scheme. The loan may also be made available as part of a

<p>will reduce the amount of interest paid, and so the total amount paid back.</p>	<p>value of the improved /converted property, and the cost of the works required will be taken into consideration. The Council may also consider evidence of local need, or the negative affect of the long term empty property.</p> <ul style="list-style-type: none"> • To carry out works of repair to privately rented properties, where the landlord is unable to access a commercial loan on reasonable terms, but who is able to make regular repayments. The landlord’s financial circumstances will be taken into account in determining his eligibility. These will include an assessment of disposable income and the value of any assets. This may be made available to help to improve homes only within specific neighbourhoods. 	<p>locally operating energy efficiency scheme, but may be subject to restrictions in the amount that is available to borrow.</p> <ul style="list-style-type: none"> • To fund works that will enable an empty property to be brought back into use, or to help to reduce high density housing through conversion works to provide larger family homes. • To carry out works of repair to privately rented properties. • Where the property is let to a tenant, the landlord must be/become a member of the private landlord accreditation scheme prior to the loan being processed.
--	---	--

7.2 Equity Loan

This loan will meet the needs of clients who do not have sufficient income to make monthly repayments on a loan, but have equity in their property. No monthly repayments are required.

For the purposes of;

- repairing, improving or adapting the home, clients can access 80% of the available equity in their home
- relocating to a replacement home, clients can access 50% of the available equity in the replacement home.

Subject to the value of the available equity, clients can borrow between £500 and £20,000.

In certain circumstances, particularly where Clients are relocating to a replacement home, may have been living in overcrowded conditions, or wish to move into a home which had previously been empty for more than 6months, and was in a poor condition, a larger loan than the maximum of £20,000 may be available at the discretion of the Council, subject to the amount of available equity in the replacement home.

Repayment of the Loan:

The amount of loan will be translated into a percentage of the property value at the time the loan is approved. This percentage will be used to calculate the amount to be repaid, at the time that the property is sold and the loan repaid. This will require the property to be valued at the beginning, and at the end of the loan period.

The following rules apply in relation to calculating the amount to be repaid, but would be subject to review at the time the loan is repaid should they cause the Client to be placed in unreasonable hardship;

- The minimum amount repayable will be the amount borrowed. This may cause difficulty should the property have decreased in

This loan is available to Clients who own their own homes and who;

- are unable to access a commercial loan on reasonable terms,
- are unable to make monthly repayments on a Capital and Interest Repayment Loan and
- have equity in their homes.

The loan will be available to landlords for the following purposes;

- to bring an empty property back into use or to carry out works to meet need for family sized homes. Such works may also be eligible should they not be financially viable without assistance from the Council. The value of the improved /converted property, and the cost of the works required will be taken into consideration. The Council may also consider evidence of local need, or the negative affect of the long term empty property.

- To carry out works that will contribute to the property being wind and water tight, safe and warm.
- To bridge the gap between the value of the current home and the cost of a replacement where the Client is affected by Councils plans for property demolition (see Relocation Assistance for other Relocation Support). The Equity Loan may not be available should the Client choose to move outside of a set geographical area. This area will be clearly defined by the Council and the information made available to affected residents
- To assist a Client to make their contribution towards works funded by a Disabled Facilities Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, or to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix C.
- To assist a client who is not able to make their contribution towards a Government funded Energy Efficiency Scheme. The loan may also be made available as part of a locally operating energy efficiency scheme but may be subject to

<p>value.</p> <ul style="list-style-type: none"> • There will be no cap on the amount to be repaid. Should the property value increase significantly, so will the amount to be repaid. Any appreciation in value of the property will be shared with the Council in accordance with the original loan as a percentage of the property value at the time that the loan is repaid. <p>Repayment will be required on sale, disposal of the property, or upon the death of the Client. (For more information see ‘Financial Assistance Conditions’)</p> <p>Should the Client wish to repay the loan (or part of the loan) at any time before the property is sold, the amount to be repaid will be calculated using the value of the home at that time. There will be no early redemption charges.</p>	<ul style="list-style-type: none"> • To carry out works of repair to privately rented properties, where the landlord is unable to access a commercial loan on reasonable terms, is unable to make monthly repayments on a Capital and Interest Repayment Loan, but that has equity in the rented property. The landlord’s financial circumstances will be taken into account in determining his eligibility. These will include an assessment of disposable income and the value of any assets. This may be made available to help to improve homes only within specific neighbourhoods. 	<p>restrictions in the amount that is available to borrow.</p> <ul style="list-style-type: none"> • To fund works that will enable an empty property to be brought back into use, or to help to reduce high density housing through conversion works to provide larger family homes. • To carry out works of repair to privately rented properties. • Where the property is let to a tenant, the landlord must be/become a member of the private landlord accreditation scheme prior to the loan being processed.
<p>7.3 Interest Free Loan</p> <p>This loan will meet the needs of clients who do not have sufficient income to make monthly repayments on a loan, and do not have sufficient equity in the home. No interest is charged and no monthly repayments are required.</p> <p>The loan is secured against the home and repaid to the Council when the home is sold.</p> <p>The maximum loan is £20,000.</p>	<p>This loan is available to Clients who: -</p> <ul style="list-style-type: none"> • Are unable to access a commercial loan on reasonable terms and for whom a Repayment and Equity Loan from the Council is also either unsuitable, or insufficient to cover the cost of the works that are required. 	<ul style="list-style-type: none"> • To carry out works that will contribute to the the property being wind and water tight, safe and warm. • To assist an applicant to make their contribution towards works funded by a Disabled Facilities Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, or to

	<ul style="list-style-type: none"> • This assistance will not be available to properties affected by Council plans to demolish homes. • This loan will not be available to landlords 	<p>purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix B.</p> <ul style="list-style-type: none"> • To assist a client who is not able to make their contribution towards a Government funded Energy Efficiency Scheme. The loan may also be made available as part of a locally operating energy efficiency scheme but may be subject to restrictions in the amount that is available to borrow.
--	--	---

For Examples of how the loans work, see Appendix C.

Other Assistance

8. Other forms of assistance are available for the purposes detailed below. In most circumstances these will be subject to a financial test of resources, and will always be subject to the budget that is available.

Type of assistance	Eligibility	Conditions
<p>8.1 <u>Disabled Facilities Grant</u></p> <p>This mandatory grant can be used for works that enable a client to live independently in their own home by providing suitable adaptations to meet their specific needs. The needs will be assessed by an Occupational Therapist and works agreed. For more guidance on works that may be eligible for assistance see Appendix B.</p> <p>A maximum of £30,000 is available.</p>	<p>This grant is available to:</p> <ul style="list-style-type: none"> • All owner-occupiers and tenants (private, Council or Housing Association), licensees or occupiers who are able to satisfy the criteria in sections 19 to 24 of the Housing Grant, Construction and Regeneration Act 1996. • Landlords may apply for a DFG on behalf of a disabled tenant but must satisfy the requirements in the relevant sections of the above Act. • A grant is available when the cost of the works required exceed the value of a contribution that the applicant must make following a means test. • For those disabled people whose conditions are degenerative, further adaptations to the home to cater for their deteriorating condition may become necessary at a later date. In such cases and depending on the time lapse between the successive applications, the amount of an applicant's current contribution may be reduced by the amount paid towards previous grant assistance. 	<ul style="list-style-type: none"> • The Client must undergo a means test, unless the grant is for a disabled child. This will take into account the resources of the disabled occupant, and their partner. • Should the property be sold within a period of 10 years following the completion of the work, part of the grant will be repaid to the Council. (For more information see conditions.) • In some cases the cost of the works may be covered either by an insurance payment or a claim against a third party. The Council believes that it is appropriate for the authority to give grant aid to ensure the works are completed at the earliest opportunity. However where the grant applicant subsequently receives a payment from an insurance or damages claim in respect of the grant aided works then he should repay the authority the grant, so far as is appropriate, out of the proceeds of

	<ul style="list-style-type: none"> • Properties where planning and conservation restrictions and architectural and structural characteristics allow works to be carried out. • Council or Housing Association tenants where no offer has been made of an alternative property that meets their needs. 	<p>any claim.</p> <ul style="list-style-type: none"> • Where the grant has been used to provide specialist equipment such as a stair lift, temporary ramps and hoists, the Council shall be given the option to recover the equipment for re-use where appropriate if the applicant no longer has a use for it.
<p>8.2 <u>Relocation Assistance</u></p> <p>This package of assistance consists of:</p> <ul style="list-style-type: none"> • Market value compensation for both owner-occupiers and for landlords • A Home Loss payment based on 10% of the property value for owner-occupiers with a minimum payment of £4,700 (or the current statutory minimum payment) and a maximum of £47,000 (or the current statutory maximum payment). • A home Loss payment of £4,700 for all Tenants whose homes are purchased by the Council. • A Disturbance Payment that should cover all reasonable expenses arising from re-location. Payment is based on proof of purchase provided by the resident. • A Basic Loss payment of 7.5% of the property value for landlords. • A discretionary Relocation Grant to enable a person affected by relocation to move to a suitable home. The maximum relocation grant available is £25,000. 	<p>The assistance is available to:</p> <ul style="list-style-type: none"> • All residents and property owners affected by the Councils plans to demolish homes. • The discretionary Relocation Grant is available to Clients who own their own home but who are unable to access the Equity Loan to assist them to relocate. A Discretionary Panel will take into account all or a combination of the following factors. <ul style="list-style-type: none"> • The availability of suitable housing. • The current market value of the existing property to be demolished. • The current market value of the proposed new property, identified by the Client • The existing mortgage terms and conditions. • The cost of funding any alterations to the new property. • The funding of any shortfall between the new and old property. • The equity in the existing property. 	<ul style="list-style-type: none"> • The assistance is available at the time that the Council purchases the property. • The Relocation Grant may be unavailable should the Client choose to move outside of a set geographical area. This area will be clearly defined by the Council and the information made available to affected residents.

	<ul style="list-style-type: none"> • The mortgage rearrangement costs. • Any other exceptional circumstances deemed necessary by the Discretionary Panel. 	
<p>8.3 <u>Area Based Assistance</u></p> <p>Financial Assistance is available for works which will enhance confidence and perception of specific Neighbourhoods within the area.</p> <p>As the needs of each area are identified, a range of renewal assistance will be offered which may include the following:</p> <ul style="list-style-type: none"> • Area Based Schemes designed to tackle specific issues, such as prevention of crime, or particular housing defects affecting a number of homes • Block improvement or Facelift schemes <p>A contribution from the owners towards the works is normally required. The contribution will be specified for each scheme. A financial test of resources may be available to owner occupiers to assess their ability to make a contribution.</p>	<p>Assistance will usually be available;</p> <ul style="list-style-type: none"> • Within specific neighbourhoods that require support, in accordance with the Councils plans, produced in conjunction with local people, for comprehensive improvement of the area. • Both owner occupiers and, within block schemes, landlords who employ good management practices. • The assistance will be based upon the type of works involved, the tenure of the property and financial resources available to the owner occupier. 	<ul style="list-style-type: none"> • The available funding will be in the form of an interest free loan secured against the property and repaid when the property title changes i.e. the property is sold or ownership changes for any reason. • Where the property is let to a tenant, the landlord must be/become a member of the private landlord accreditation scheme prior to the loan being processed.
<p>8.4 Empty Homes Loans</p> <p>An interest free repayment loan is available to help renovate long term empty homes and return them to housing use. (long term empty is where the property has been empty for six months or longer)</p> <p>The maximum loan is £15,000 over a term of one to five years</p>	<p>Assistance will usually be available:</p> <ul style="list-style-type: none"> • For long term empty properties within council tax bands A and B • To private landlords to bring their property up to the Durham Housing Standard for letting. • To new owners who intend to live in the 	<ul style="list-style-type: none"> • Where the property is to be let, the landlord must be/become a member of the private landlord accreditation scheme. • the works must be carried out within six months of the loan being approved • The property must be tenanted

	<p>property as their main residence</p>	<p>within three months of the work being completed.</p> <ul style="list-style-type: none"> • The property must remain tenanted until the loan is repaid in full • Where the purchaser is to reside in the property, it must remain as their main residence for a minimum period of five years.
<p>8.5 Empty Homes Move-in Grant</p> <p>A move-in grant of £5,000 as an incentive to encourage purchase of a long term empty properties.</p>	<p>Assistance will be available for:</p> <ul style="list-style-type: none"> • Long term empty properties within council tax bands A and B. • To new purchasers who intend to live in the property as their main residence. • The purchase of the property must be confirmed by the solicitor acting for the purchaser. 	<ul style="list-style-type: none"> • The property must be occupied within six months of completion of purchase. • The property must be the main residence of the purchaser for a minimum of five years. • A local land charge will be registered against the property for a period of five years.

Financial Assistance Costs

9.1 Costs associated with Financial Assistance

The Council charges a local authority fee for the administration of financial assistance. This is associated with the professional, technical and administration charges incurred in providing advice, preparing schedules, supervision and project management of successful enquiries for financial assistance. This fee is set at £250 per loan and can form part of the loan award.

Financial Assistance Conditions

10 Conditions that apply to all forms of Financial Assistance

- Financial Assistance **will not** be paid for works that have already begun prior to approval.
- Where the word 'sold' appears in relation to a change of ownership of the property and a condition applies, the condition will also apply should the property be disposed of, assigned, transferred or otherwise, including the transfer to family members, or is no longer occupied by the client as principal residence.
- There is a limit to the number of loans available to a client within a particular time period, these are set out in section 7 above. However should multiple enquiries be received from the same client, the council may make a second loan available to a client if it is appropriate to do so. The council will not provide a second loan that compromises the ability of the homeowner to repay an original loan provided by the council.

11 Prior to the Works

11.1 The Applicant

- a. The applicant must be the homeowner, i.e. be the person named on the mortgage or deeds of the property at the time the assistance is received and in relation to assistance for the purposes of Disabled Facilities must sign either an;
 - "Owner-occupation Certificate". This document certifies that the applicant intends that he or a member of his family will live in the dwelling as his (or that member's) only or main residence until the assistance is repaid (or until the end of the Condition Period for Area Based Assistance), or a;
 - "Certificate of Intended Letting". This document certifies that the applicant intends that the dwelling will be let or available for letting, for use as a residence (and not for a holiday) to a person who is not a member of the owner's family until the assistance is repaid, (or until the end of the Condition Period for Area Based Assistance).
- b. The applicant must be aged 18 years or over on the date of application;
- c. A loan or other form of financial assistance under this Policy will only be available to people who have a right to live in the United Kingdom, whether as a citizen of the UK or a person with indefinite or exemplary leave to remain. An applicant who has leave to remain in the Country subject to a condition that they do not have recourse to public funds will **not** be eligible for assistance under this policy.
- d. The Applicant must not be in arrears to the Council at the time of application. The nature of the arrears and progress being made by the Applicant to repay these will be taken into consideration. Arrears may include those that result from a failure to pay Council Tax, or charges incurred by the Council through the carrying out of works in default following enforcement action.

11.2 The Property and the Works

- a. The property must be registered with Land Registry at the time of the application for assistance.
- b. The works that are eligible for assistance, the Client Contribution, and the contractor that will carry out the works must be agreed with the Councils Home Improvement Agency who have in place a contractor's registration scheme, so financial assistance will only be provided in accordance with this system. The Client Contribution will be required to be paid to the contractor on production of an invoice verified by the Home Improvement Agency.
- c. Should works that were unforeseen at the time of the approval of the financial assistance be identified while the works are being undertaken, financial assistance towards the additional cost will be considered in accordance with the hierarchy of assistance included within Section 6. This means that clients will be required to pay for such works themselves unless they are unable to demonstrate that they do not have the resources available. Should additional financial assistance be appropriate, the hierarchy of Repayment Loans first, Equity Loan second, and Interest Free Loan last resort principle described in section 8 will be applied. Should the additional financial assistance required cause the maximum amount of financial assistance available to be exceeded, the Council may use discretion through normal decision making processes to approve the increased amount.

11.3 The Application

An application must be made on the application form provided for that purpose. The Council will only consider a valid application for assistance. A valid application is one where the following documents are submitted:

- A correctly completed application form and any supporting documentation
 - in relation to assistance for the purposes of Disabled Facilities either a certificate of owner occupation, a certificate of intended letting, a tenant's certificate or an occupiers certificate
 - Proof of title where applicable
 - Authorisation from the owner of the property if a third party is acting agent in the application. This can be in the form of an authorisation letter, power of attorney or similar
 - Completed form of Technical and Administrative Services Charges
 - Any relevant reports as requested by the Schedule giving the particulars of the relevant works
 - At least two sets of estimates
 - Details of preliminary or ancillary services or charges
 - Other prescribed particulars
- a. The applicant shall be required to enter into a contract with the Council.
 - b. The Council will determine an application within 6 months of receipt of a valid application. The applicant will be informed in writing of the approval or refusal of the application.

12 Carrying Out and Completing the Works

- 12.1** Where the work has begun and not been completed and the Council has incurred costs including any interim payments or additional costs, the Council may recover these from the applicant. Where the applicant fails to fully reimburse the Council, and a charge was not already in place the Council shall place a land charge on the property for the outstanding amount plus

any interest accrued from that date;

- 12.2 The works that are eligible for assistance must be carried out in accordance with any specification imposed by the Council and completed to the satisfaction of the Council.
- 12.3 The eligible works should be completed within six months from the date of approval of the application. The Council may extend this period if they feel it is necessary, upon written request from the applicant;
- 12.4 The council should be provided with an acceptable invoice, demand or receipt for payment from the approved contractor. For this purpose an invoice, demand or receipt is acceptable if it satisfies the Council and is not produced by the applicant or a member of his family.
- 12.5 It will be a condition of assistance that the property must be insured and properly maintained. If this condition is not met or adhered to during the period until the assistance is repaid, it will be a breach of the conditions of assistance; a copy of the buildings insurance certificate may be requested annually by the council.

13 **After the works**

- 13.1 The property should be kept properly maintained. If this condition is not met during the period until the assistance is repaid, the Council may treat this as a breach of conditions.
- 13.2 It is the responsibility of the applicant to demonstrate that the conditions of the financial assistance are being adhered to. If the Council requests any information in relation to the conditions in writing and the applicant fails to supply the information, then the Council may deem this as a breach of the financial assistance conditions; in particular the Council may by written notice require the owner to provide within 21 days a statement showing how the property is occupied;
- 13.3 The property must not be left empty for any appreciable length of time until the assistance is repaid. An extended period of vacancy may be construed as a breach of conditions and the council may seek to recover financial assistance monies from the applicant. The Council may however waive this in exceptional circumstances; The applicant should notify the Council in writing of any extended period of vacancy of over 6 weeks in duration;
- 13.4 Should the application have been approved on the basis that the applicant was an owner occupier the property should remain the principal residence of the client until the financial assistance is repaid, or in the case of empty homes assistance to owner occupiers for a minimum of five years. Should the property be subsequently let to a tenant before the assistance is repaid the client will be required to become a member of the private landlord accreditation scheme and demonstrate that the property is well maintained and the tenancy well managed. This standard should be maintained until the assistance is repaid. A tenant is a person who is not a member of the owner's family.

14 **The Legal Charge and Local Land Charge**

- 14.1 Once an application for financial assistance is approved, the assistance will be registered as a legal charge and in relation to assistance for the purposes of Disabled Facilities a local land charge on the property. This will be carried out before any assistance is paid.
- 14.2 In relation to Disabled Facilities Grants, a local land charge will apply for a period of 10 years from the date at which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date").
- 14.3 For all other forms of financial assistance the charge will remain on the property until the financial assistance is repaid.

- 14.4** In relation to the Capital and Interest Repayment Loan, should the Client wish to make a relevant disposal of the property before repayment of the loan is complete, the loan amount that is outstanding must be repaid to the Council upon the disposal of the property.
- 14.5** Reducing the priority of the charge or removing the charge will only be undertaken in exceptional circumstances.
- 14.6** A charge is binding on the person who is for the time being an owner of the premises concerned.
- 14.7** Where a condition is broken, the Council has all the usual remedies in law to secure repayment including enforcement of the charge.

15 Repayment of Financial Assistance - Owner occupiers

It is a condition of all forms of assistance that repayment is received in accordance with the terms of approval of the financial assistance. Specifically that;

- 15.1** In relation to Capital and Interest Repayment Loans, repayments are received in accordance with financial assistance approval and the 'Loan Offer' made.
- 15.2** In relation to Equity Loans and Interest Free Loans, repayment is received when the property is sold, disposed of, assigned, transferred or otherwise, including the transfer to family members, or is no longer occupied by the client as principal residence. Family members include both immediate and extended family. Should family members or other persons be living in the property at the time of death of the Client, there will be no automatic right of succession. Should repayment of the loan require the property to be sold in this circumstance the Council can exercise discretion through formal decision making processes if appropriate.
- 15.3** It is a condition of all forms of assistance that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, they will be required to repay the financial assistance to the Council. (For details of both relevant and exempt disposal, see explanatory notes below)
- 15.4** It is a condition of the 'Disabled Facilities Grant' that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, within a period of 10 years from the date on which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date") he will be required to repay the financial assistance to the Council, on demand. This is subject to certain restrictions imposed by the Housing Grants Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008. The Council may demand the repayment of such part of the grant which exceeds £5,000, but may not demand in excess of £10,000.
- 15.5** Where an extension has been provided through Disabled Facilities Grant and exceeds £15,000 a local land charge will be registered against the property for £10,000 for a ten year period. This is subject to certain restrictions imposed by the Housing Grants Construction and regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of grant) general Consent 2008. Repayment will be required if the property is sold or changes ownership for any reason within this period. If this condition is breached the Council may decide not to make any demand for whole or part repayment. Each case will be considered on its merits. A decision will primarily be based on the financial hardship that will be experienced by the client as a result of repayment of the assistance. Should financial hardship be experienced along with any of the following, the Council may decide not to make demand for whole or part repayment:

- **Provision of care** - where they are satisfied that the owner is elderly or infirm and is disposing of the property with the intention of being cared for by relatives or going to live in sheltered housing or a residential care home, or where the owner is moving to care for an elderly or infirm family member.
- **Repossession** - where a mortgagee exercises a power of sale.
- **Employment** - where an applicant is making a disposal further to the need to move following acceptance of employment where they would otherwise become unemployed
- **Health and Well-being** – where the disposal is connected with the physical or mental health or well being of a relevant person.
- **Suitability for the number of occupants** – to enable accommodation to be provided which is more suitable for the number of occupants.
- **Disposal to the local authority or Registered Social Landlord**
- **Sale to a disabled person on the Councils Disabled Facilities Grant waiting list** – where the Council would otherwise have assisted the buyer to adapt their current home.

16 In More Detail - Repayments of Financial Assistance – Landlords

It is a condition of all forms of assistance that repayment is received in accordance with the terms of approval of the financial assistance. Specifically that;

- 16.1** In relation to Capital and Interest Repayment Loans, repayments are received in accordance with financial assistance approval and the 'Loan Offer' made
- 16.2** In relation to Equity Loans and Interest Free Loans, repayment is received when the property is sold, disposed of, assigned, transferred or otherwise, including the transfer to family members
- 16.3** It is a requirement that a landlord is a member of the private landlord accreditation scheme and to demonstrate that the property is well maintained and the tenancy well managed. This standard should be maintained until the assistance is repaid. This will have been made clear to the landlord in advance of making an application. Failure to do so may be construed as a breach in conditions.
- 16.4** In the event of a breach of conditions, the Council may demand the repayment of the assistance with interest. The Council has the discretion either not to demand repayment, or to require payment of less than the full amount.
- 16.5** At the time that the property is sold, or in the event of the breach of conditions, the Council may decide not to make any demand for whole or part repayment. Each case will be considered on its merits and examples of such instances may be as follows:
- a) **Financial Hardship** – where financial circumstances have changed and financial hardship would be suffered if all or some of the assistance was repaid.
 - b) **Disposal to the local authority or a Registered Social**
 - c) **Due to an Inability to let the premises** – where the landlord has not been able to let one or more of the flats contained in the building.

General Notes:

- i. If the dwelling is occupied by a person who is a protected occupier under the Rent (Agriculture) Act 1976 or is occupied under an assured agricultural occupancy, within the meaning of Part 1 of the Housing Act 1988, the condition will not be breached.
- ii. In a case where personal representatives or trustees are the owner, the letting must not be to a person who has a beneficial interest under the will, intestacy or trust, in the property or the proceeds of its sale.
- iii. A "RELEVANT Disposal" is where the whole or part of a dwelling undergoes either a conveyance of the freehold or an assignment of the long lease or the grant of a long lease, which does not qualify as an exempt disposal.
- iv. An "EXEMPT disposal" means a disposal that is:
 - a. Of the whole of the dwelling to the owner or one of the joint owners of the dwelling.
 - b. Of the whole of the dwelling by Court order in the course of a domestic breakdown;
 - c. Compulsorily, or by agreement, to a public body with compulsory purchase powers;
 - d. Of land which is "included land" under Section 184 of the Housing Act 1985;

Further Definitions

An owner's interest is:

- an estate in fee simple absolute in possession, or
- "a term of years absolute of which not less than five years remain unexpired at the date of application". This included a long lease of seven years or over granted under deed where the leaseholder has a repairing obligation. There must be at least 5 years remaining on the lease.

Whether held by the applicant alone or jointly with others.

A person is a member of another's family if that person is:

- the other's wife or husband or that person lives with the other as wife or husband, or civil partnership.
- a son or daughter or son-in-law or daughter-in-law of the other, or of the other's wife or husband ("son" or "daughter" includes any step son or step daughter and any illegitimate son or daughter, and "son-in-law" and "daughter-in-law" are to be construed accordingly) or, a parent, grandparent, grand child, brother, sister, aunt, uncle, nephew, niece of the other, or of the other's wife or husband, whether the relationship is by blood or marriage.

Equal Opportunities Statement

- 17** The Council is committed to including equality and diversity in everything we do. This includes eliminating unlawful discrimination, promoting equality of opportunity and access, and valuing diversity in the delivery of services. When assessing enquiries for the assistance contained within this policy, the Council will take into account issues regarding equality and diversity.
- 17.1** In order to ensure that this policy provides equal access to all, a comprehensive impact assessment has been undertaken to consider the effect of the policy on all the residents of the area.
- 17.2** The assessment showed overall that implementation of the revised policy would generally enhance the beneficial effect on the health, safety and welfare of residents by raising housing standards and community vitality.

Confidentiality and Data Protection Statement

- 18** When providing assistance the Council will require information relating to the personal and financial circumstances of the client.
- 18.1** This personal information will be handled in a manner, which meets the requirements of the Data Protection Act (1998). The Council will take all reasonable steps to ensure that personal data is kept secure against unauthorised access, loss, disclosure or destruction.
- 18.2** Sometimes it may be in the interest of the client to have personal information passed to one of the Council's partners, so that the client can receive further help. The Council will always request a clients permission prior to sharing information with partners.
- 18.3** In certain circumstances the information provided may be used to prevent and detect fraud, as a result of the Council's obligation to protect the public funds it handles.
- 18.4** The Freedom of Information Act enables anyone to request information from a public authority. When a request is made the Council has a duty to respond to the request within 20 days as well as providing advice and assistance to people who have requested information.

Contact Details

19 If you would like more information, or would like to discuss any part of this Policy contact the Housing Service who will be happy to help.

19.1 If you would like to make an enquiry for assistance contact:

- By post or in person at Durham County Council , Home Improvement Agency, The Contact Centre, St. Johns Square, Sophia Street, Seaham, Co Durham, SR7 7JE.
- By telephone on 03000 268000
- By email to ddhia@durham.gov.uk

19.2 Alternatively go to our website at www.durham.gov.uk where you will find advice and guidance on home repairs and maintenance, and the help that is available.

Complaints, Compliments and Appeals

20 The Council operates a Corporate Complaints procedure. If you are not satisfied with the service that you have received please contact us. Your comments help the Council to improve the service provided:

- Contact details above

20.1 Equally if our Clients are satisfied with the service they receive we would also like to hear about it

20.2 Should a Client wish to appeal about any decision taken in relation to their enquiry for financial assistance, such as disputes relating to eligible works, or levels of assistance, appeals will first of all be dealt with by the Private Sector Housing Manager (or equivalent). Clients will be informed of the outcome of their appeal in writing. Should the issue not be resolved, the appeal will be referred to the Head of Economic Development and Housing. The decision of the Head of Economic Development and Housing will be final in this respect.

Appendix A - Guidance – Wind and Water Tight, Safe and Warm

A property must;

- a) Meet the current statutory minimum standard for housing – The Housing Health and Safety Rating System (HHSRS), states that all dwellings should be free from category 1 hazards. (Those hazards which are most likely to occur and to cause serious harm)
- b) Have a roof that is free from holes and leaks; rain water goods that are in a good condition and aligned to the correct fall; windows and doors that are free from draughts and rot; pointing and render should be in a good condition.
- c) Have a decent heating system; have double glazing where required; have a good standard of cavity wall and loft insulation.

It may sometimes be appropriate to provide financial assistance towards works, to a lower or higher standard than the above

For example;

A lower standard; To assist Clients to make their contribution towards a Government Energy Efficiency Scheme. Providing assistance towards works contributing to thermal comfort alone may be important to help a Client to take advantage of such a scheme, where an application for more complex works would slow the process and put their participation in such a scheme at risk. Similarly, an elderly Client may prefer only to have serious hazards remedied, to avoid prolonged inconvenience in the home.

A higher standard; Where work is being carried out to replace rotted windows, financial assistance may be provided to replace all windows in an elevation rather than only those that are in poor condition.

Appendix B - Guidance – Disabled Facilities

Grant Eligible Works

The purposes for which mandatory DFGs may be given are set out below.

- facilitating access to and from the dwelling or the building in which the dwelling or flat, as the case may be, is situated, e.g. by widening doors or installing ramps;
- facilitating access to a room used or usable as the principal family room;
- facilitating access to a room used or usable for sleeping, or alternatively providing such a room for the disabled occupant;
- facilitating access to a room in which there is a lavatory, a bath or shower (or both) and a wash basin or providing a room in which there is such a facility or facilities;
- facilitating access to the garden
- facilities for the preparation and cooking of food.
- adaptations to the dwelling or building to make it safe for the disabled person and other persons residing with him. This may include improvements to access and movement around the home to enable the disabled person to care for another person who lives in the property, such as a spouse, child or another person for whom the disabled person cares.
- improvement of an existing heating system in the dwelling to meet the disabled occupant's needs. Where there is no heating system or where the existing heating arrangements are unsuitable to meet their needs, a heating system may be provided. The installation of central heating to the dwelling will only be considered where the well-being and mobility of the disabled person would otherwise be adversely affected.
- to enable a disabled person to have full use of heating, lighting and power controls in the dwelling. Such work includes the relocation of power points to make them more accessible, the provision of suitably adapted controls where a disabled person has difficulty in using normal types of controls and the installation of additional controls.

Common parts

The purposes for which grant is available for works to the common parts of buildings such as blocks of flats are, limited to works to facilitate access to the dwelling through the common parts, or facilitating the use by the disabled person of a source of power, lighting or heating in the common parts.

Determination of whether works are necessary, appropriate reasonable and practicable

The Council will satisfy itself that the works are necessary, appropriate reasonable and it is practicable to carry out the relevant works having regard to the age and condition of the dwelling or building. The Council will have regard in determining this to the guidance and good practice issued from time to time by the Government.

Discretionary DFG

Should funding be available the following works may qualify for discretionary Disabled Facilities Grant, these are works that are not eligible for mandatory Disabled Facilities Grant, but which enable a disabled person to live independently at home. Loan assistance may be available for these. .

- The provision of a safe play area for a disabled child.
- Adaptation works to provide for a disabled occupant to receive specialised care or medical treatment in their own home for which the disabled person is responsible for meeting the costs of works.
- Adapting or providing a room to be used for a disabled person who is housebound but nevertheless is able to work from home.
- To provide a complete solution to the needs of the disabled person.

Using the Grant or Loan for moving to a more suitable Home

The Council will consider providing assistance to enable a disabled person to move to a more suitable home where it is more cost effective than adapting the current home to make it suitable for the person's current or future needs, even if the new home requires some adaptations.

However, when assessing the availability of loan assistance beyond the maximum mandatory DFG limit of £30,000, the Council must ensure that the maximum amount of money spent on any one client remains reasonable, and that funding available is used to help as many disabled people as possible.

In order to calculate the amount of loan assistance that is available beyond the mandatory DFG limit of £30,000 the Council will consider the following factors;

- The eligibility of the applicant
- the nature of the works i.e. relocation will only be available where mandatory works are required to the existing home.
- Whether the current property is not reasonably suitable for adaptation, or the cost of the works exceeds the maximum assistance for mandatory Disabled Facilities Grant
- Whether the disabled person expresses a preference to move to a more suitable property.
- The existing support networks assisting the applicant.
- The availability of suitable housing.
- Consideration of social housing as an alternative.
- The cost of alternative care arrangements, home support residential care, etc.

- Entitlement to benefits and advice from the Benefits Agency
- The current market value of the existing property
- The current market value of the proposed purchase property
- The existing mortgage and terms and conditions
- The cost of funding and practicality of carrying out any alterations to the new property
- The funding of any shortfall between the new and old property
- The equity in the existing property
- The mortgage rearrangement costs
- The amount of financial assistance the Council may need to provide
- How the mortgage and interest payments will be financed

Appendix C – How the Loans Work

Capital and Interest Repayment Loan

Interest will be charged at a rate that is 2% above Bank of England Base Rate or at 5%, whichever is the higher rate at the time that the loan is approved. The interest rate will be fixed for the life of the loan, so that the monthly repayment will always be the same, and the total amount of interest that will be charged will be known to the client at the beginning of the loan.

The following example shows repayments based on an interest rate of 5%;

Amount Borrowed	Term	Monthly Repayment	Total Cost
£1000	2 years	£43.87	£1,052.91
£5,000	5 years	£94.36	£5,661.37
£10,000	10 years	£106.07	£12,727.86

The Equity Loan

Using the Equity Loan to improve or adapt the home:

Using the Equity Loan to move home:

Value of the home	£ 90,000	Value of existing home	£60,000
Value of outstanding mortgage and any other secured loans	£ 50,000	Cost of replacement home	£80,000
Available Equity	£ 40,000	This is paid for with:	
Maximum Equity Loan available (80% of Available Equity)	£ 32,000	<ul style="list-style-type: none"> Value of existing home Equity Loan 	£60,000 £20,000
Loan required	13%	The loan is equal to a quarter of the value of the new home	25%
Loan as a percentage of the property value	£ 100,000	House value on sale	£90,000
House Value on sale (when the loan must be repaid)	£ 13,000	Repayment 25% of £90,000	£22,500
Loan amount repaid (13% of the property value at the time of loan repayment)			

