

Durham County Council

Financial Assistance Policy (FAP)

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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. It specifically seeks to help homeowners to improve, repair and adapt their properties. Other assistance is also available to help and support people with housing needs. 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 This Order repealed much of the existing prescriptive legislation governing the provision of grants and replaced it with more general powers to provide a range of forms of assistance.
- 1.3 The policy includes financial assistance for housing related purposes that are 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 Government's view that "*it is primarily the responsibility of homeowners to maintain their own property*"¹, and with the Council's 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 eligibility criteria and the conditions that will be applied. It also 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 for "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 which may vary on an annual basis. All financial assistance (excluding the 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 January 2020.

Objectives of the Policy

4. The policy has a number of objectives, which are:

4.1 To improve and maintain healthy living conditions within private sector housing, specifically helping homeowners on limited incomes to access, 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;
- Financial assistance to enable access to suitable accommodation.

4.2 To contribute to the regeneration of areas suffering from market vulnerability and to tackle poor property 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 properties 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.

4.3 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

5. This chapter of the policy sets out the types of assistance that are available. For home improvement works there is a hierarchy of funding available depending on a client's financial circumstances.

5.1 Where a client can borrow from a commercial organisation they will be expected to do so. However where a client cannot borrow from commercial sources they will be assessed for a hierarchy of loans from capital and interest repayment through equity to interest free.

6. Advice and Practical Support

6.1 Advice is available to all clients to enable them to make informed choices about the options available to them for property improvements, adaptations, relocation and accessing accommodation. This is 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, secure and warm;
- Personally carry out home maintenance, preventative and improvement works and 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 remaining in the home or relocation offers the better solution for their circumstances;
- If a client is able to fund the cost of the work but requires support to obtain and assess estimates, select, appoint and manage a contractor a Project Management Service may be available for a small fee;
- Advice and guidance to prevent homelessness including financial considerations;

7. Financial Assistance

7.1 Information from the client relating to their finances (affordability test) 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.

7.2 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 for example 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 also be undertaken in order to assess the potential for releasing the value of any equity.

- 7.3** 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.
- 7.4** Clients whose financial circumstances exclude them from accessing finance from a mainstream source shall, subject to the availability of funds, be considered for the following forms of financial assistance from the Council: capital and interest repayment loan, equity loan and interest free loan.
- 7.5** The hierarchy of assistance will not apply to the following forms of assistance, as they each have specific eligibility criteria;
- Mandatory Disabled Facilities Grant;
 - Area Based Assistance;
 - Empty Homes Loans;
 - Prevention Fund;
 - Rent Deposit Guarantee Scheme;
 - Retail Loan Scheme.

Capital and Interest Repayment Loan

<p>Purpose</p>	<p>The purpose of the loan is to improve, maintain or adapt a property where the home owner is unable to borrow from a commercial organisation and is able to make regular repayments.</p>
<p>Eligibility /Who can apply</p>	<ul style="list-style-type: none"> • People who own their own homes but who are unable to access a commercial loan on reasonable terms and are able to make regular repayments. • Landlords who are unable to borrow from a commercial organisation and are able to make regular repayments. (A landlord must be a member of the Private Landlord Accreditation Scheme prior to the loan being processed). <p>An affordability test will be carried out, this will include a person's income, expenditure, savings and other assets.</p>
<p>What can it be used for?</p>	<p>The loan can be used:</p> <ul style="list-style-type: none"> • To carry out works that will contribute to the property being wind, water tight, safe, secure and warm; • To assist a client to make their contribution towards works funded by a Disabled Facilities Grant (DFG). Where a mandatory DFG exceeds the maximum mandatory and discretionary limits, 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 restrictions in the amount that is available to borrow; • 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 repairs to privately rented properties.

Amounts (minimum and maximum)	A client can borrow is up to £15,000 over a term of 1-15 years.
Interest Rate	<p>The interest rate is 2% above the Bank of England base at the time of approval of the loan.</p> <p>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.</p>
Arrangement Fee	There is no arrangement fee for this loan.
Payment arrangements	<p>The repayment period will depend upon the circumstances of the individual, and the amount borrowed. The Council will use an affordability test to make sure that monthly repayments will be affordable and no more than one third of the monthly disposable income will be utilised.</p> <p>There will be no penalties should the client be able to overpay or repay the loan early in full.</p>
Conditions	See financial assistance conditions on page 31
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Equity Loan

<p>Purpose</p>	<p>The purpose of the loan is to improve, maintain or adapt a property where the home owner is unable to borrow from a commercial organisation.</p>
<p>Eligibility / Who can apply</p>	<p>This loan is available to clients who own their own homes and who;</p> <ul style="list-style-type: none"> • 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; • for landlords who are unable to borrow from a commercial organisation and are able to make regular repayments. (A landlord must be a member of the Private Landlord Accreditation Scheme prior to the loan being processed).
<p>What can it be used for?</p>	<p>The loan can be used:</p> <ul style="list-style-type: none"> • To carry out works that will contribute to the property being wind and water tight, safe, secure 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 Council's 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 information made available to affected residents); • To assist an applicant to make their contribution towards works funded by a Disabled Facilities Grant (DFG) where a mandatory DFG exceeds the maximum mandatory and discretionary limits; 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

	<p>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.
Amounts (minimum and maximum)	<p>Subject to the value of the available equity, clients can borrow between £500 and £20,000.</p> <p>For the purposes of:</p> <ul style="list-style-type: none"> • 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); <p>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 6 months and was in a poor condition, a larger loan than the maximum of £20,000 may be available. This is at the discretion of the Council and is subject to the amount of available equity in the replacement home.</p>
Interest Rate	Interest is not charged on this loan
Arrangement Fee	There is no arrangement fee for this loan
Payment arrangements	<p>The amount of the 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.</p> <p>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:</p>

	<ul style="list-style-type: none"> • The minimum amount repayable will be the amount borrowed. This may cause difficulty should the property have decreased in value; • 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' page 31)</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>
Conditions	See financial assistance conditions on page 31
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Interest Free Loan

Purpose	The purpose of the loan is to improve, maintain or adapt a property where the homeowner is unable to borrow from a commercial organisation, is unable to make regular repayments and there is no available equity in their property.
Eligibility / Who can apply	<p>Homeowners who 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.</p> <p>This assistance is not available for properties affected by Council plans to demolish homes.</p> <p>This loan is not available to landlords</p>
What can it be used for?	<p>The loan can be used:</p> <ul style="list-style-type: none"> • To carry out works that will contribute to the property being wind and water tight, safe, secure and warm; • To assist an applicant to make their contribution towards works funded by a Disabled Facilities Grant (DFG); where a DFG exceeds the mandatory and discretionary maximum limits; 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 restrictions in the amount that is available to borrow.
Amounts (minimum and maximum)	The maximum loan amount is £20,000
Interest Rate	This is an interest free loan
Arrangement Fee	There is no arrangement fee on this loan

Payment arrangements	The loan is secured against the property and is repaid when the property is sold or changes ownership
Conditions	See financial assistance conditions on page 31
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Disabled Facilities Grant

<p>Purpose</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 client's needs will be assessed by an Occupational Therapist and works agreed thereafter.</p>
<p>Eligibility / Who can apply</p>	<p>Owner-occupiers and tenants (private, Council or Housing Association), licensees or occupiers who are disabled themselves or have somebody living with them that are disabled.</p> <p>Landlords may apply for a DFG on behalf of a disabled tenant.</p> <p>Applicants must be over the age of 18 years.</p> <p>Needs must be assessed as being necessary and appropriate by an Occupational Therapist.</p>
<p>What can it be used for?</p>	<p>The grant can be used for:</p> <ul style="list-style-type: none"> • facilitating access to and from the dwelling or the building in which the dwelling or flat, 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

	<p>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.</p> <ul style="list-style-type: none"> • 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. • The 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.
Amounts (minimum and maximum)	Maximum amount is £30,000
Interest Rate	Not applicable
Arrangement Fee	Not applicable
Payment arrangements	Not applicable
Conditions	Where the works are for an extension to the property and the cost exceeds £15,000 a local land charge for £10,000 will be registered for a period of ten years.
Legislation	The Housing Grants Construction and Regeneration Act 1996.

Discretionary Disabled Facilities Top-Up Grant

Purpose	The purpose of this grant is to 'top-up' the mandatory Disabled Facilities Grant where the cost of works exceeds the maximum £30,000
Eligibility / Who can apply	This is available to disabled applicants who have been awarded a mandatory Disabled Facilities Grant for the maximum amount of £30,000 and where the work exceeds it.
What can it be used for?	To provide mandatory works that exceed the maximum DFG limit
Amounts (minimum and maximum)	Up to a maximum of £10,000
Interest Rate	Not applicable
Arrangement Fee	Not applicable
Payment arrangements	None
Conditions	See appendix B
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Empty Homes Loan

Purpose	To 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)
Eligibility / Who can apply	Owners of long-term empty homes landlords to bring their property up to the Durham Housing Standard for letting. Purchase of a long-term empty home who intend to live in the property as their main residence. Where the property is to be let, the landlord must be a member of the private landlord accreditation scheme prior to the loan being processed
What can it be used for?	To renovate long term empty properties in council tax band A and B To bring the property up to the Durham Housing Standard for Letting
Amounts (minimum and maximum)	Maximum of £15,000
Interest Rate	Interest Free
Arrangement Fee	£250
Payment arrangements	Monthly repayments for up to a five a year term. Payments will commence one month after the loan is paid.
Conditions	<ul style="list-style-type: none"> the works must be carried out within six months of the loan being approved The property must be tenanted within three months of the work being completed The property must remain tenanted until the loan is repaid in full

	<ul style="list-style-type: none">• Where the purchaser is to reside in the property, it must remain as their main residence for a minimum period five years.• Where the property is tenanted the landlord must be a member of the accreditation scheme for the term of the loan.
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Empty Homes Move-in Grant

Purpose	A move-in incentive grant to encourage purchase of a long-term empty properties
Eligibility / Who can apply	New purchasers who intend to live in the property as their main residence. Where the property is in a priority area.
What can it be used for?	To help to purchase an empty property in council tax band A and B, that has been empty for a period of twelve months or more, which will be lived in as the purchases main residence.
Amounts (minimum and maximum)	£2,500
Interest Rate	Not applicable
Arrangement Fee	Not applicable
Payment arrangements	The grant will be repaid if the property is sold or let out within the five-year grant condition period.
Conditions	<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.
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Relocation Assistance

Purpose	To help residents and property owners affected by the councils plans to demolish homes move alternative suitable accommodation.
Eligibility / Who can apply	All residents and property owners affected by the Councils plans to demolish homes.
What can it be used for?	<p>To help with:</p> <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. • The mortgage rearrangement costs. • Any other exceptional circumstances deemed necessary by the Discretionary Panel. • 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.
Amounts (minimum and maximum)	This package of assistance consists of:

	<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 £6,300 (or the current statutory minimum payment) and a maximum of £63,000 (or the current statutory maximum payment). • A home Loss payment of £6,300 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.
Interest Rate	Not applicable
Arrangement Fee	Not applicable
Payment arrangements	<p>Loans are re-paid in line with the appropriate loan product provided.</p> <p>Grants are not re-payable</p>
Conditions	See financial assistance conditions on page 31
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Area Based Assistance

Purpose	For works which will enhance confidence and perception of specific Neighbourhoods within the area.
Eligibility / Who can apply	As the needs of each area are identified, a range of renewal assistance will be offered to homeowners within the area
What can it be used for?	Area Based Schemes designed is designed to tackle specific issues, such as prevention of crime, or particular housing defects affecting a number of homes Block improvement or Facelift schemes
Amounts (minimum and maximum)	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.
Interest Rate	Not applicable
Arrangement Fee	Not applicable
Payment arrangements	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 a member of the private landlord accreditation scheme prior to the loan being processed
Conditions	The council will require repayment of the grant should the property be sold within five years of completion of the work.
Legislation	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Prevention Fund

<p>Purpose</p>	<p>The aim of the Prevention Fund is to reduce and prevent Homelessness across the County by providing innovative solutions to homelessness and the threat of homelessness.</p> <p>Homeless Prevention funds have been proven to be a successful tool for reducing homelessness and reducing the need to place households in temporary accommodation.</p> <p>Preventing homelessness can also result in a saving to public services by reducing the wider impacts of homelessness. To ensure that the authority takes a proactive approach to homelessness prevention and responds positively to the social, personal and economic cost of homelessness, the causes need to be tackled and resources made available specifically targeted towards homelessness prevention.</p>
<p>Eligibility / Who can apply</p>	<p>The Homelessness Prevention Fund will be available to all (subject to the following criteria) regardless of priority or duty owed. Housing Solutions Officers/HTASS Support Workers will make a judgement as to whether the applicant will be suitable for the fund and whether homelessness prevention or relief is likely.</p> <p>The following criteria must be met:</p> <ul style="list-style-type: none"> • Applicants must be homeless or threatened with homelessness • Must not previously have been assisted by the scheme (Unless in exceptional circumstances) • Intervention must secure accommodation that is available for at least six months • The applicant must be on benefits/low income and has no savings or resources to loan funds from a reputable lender • The applicant or their household must have a local connection to the County Durham area as described in the homelessness code of guidance.

	<ul style="list-style-type: none"> • For discharge of duty into the private sector, the accommodation must be available for a minimum of 12 months. <p>It may also be decided that a condition of receiving financial assistance would require the applicant to accept intervention and support.</p>
What can it be used for?	<p>Examples of how the fund can be used are listed as follows (Please note that this list is not exhaustive):</p> <ul style="list-style-type: none"> • Clearing rent, former tenant or mortgage arrears • Clearing court costs • Rent top ups and tenancy sustainability payments • Assistance with delays in Housing Benefit • Estate Agency fee payments for the securing of private rented accommodation • Financial incentives to landlords to stop the eviction of Private Tenants • Court Application costs • Damage payments • Travel costs • Assist in the discharge of duty into Private Rented Sector
Amounts (minimum and maximum)	<p>There is no minimum amount.</p> <p>A maximum payment of £500 to any one person will be made. Consideration may be given to payments of over £500 where there is a sound business case.</p>
Interest Rate	Not applicable
Arrangement Fee	Not applicable

Payment arrangements	Not applicable
Conditions	<p>The Prevention Fund will only be administered if all other preventative measures have been exhausted. Innovation is encouraged therefore the use of the fund is not restrictive.</p> <p>There are many ways in which homelessness can be prevented through financial assistance. Each case will be measured against the sustainability of the accommodation and an assessment of the applicants support needs must also be carried out.</p> <p>Any payments must enable the applicant to remain in their home for a period of 6 months or result in securing accommodation that is likely to last at least 6 months (minimum 12 month within the private sector).</p>
Legislation	Local Government Act

Rent Deposit Guarantee Scheme (RDGS)

Purpose	The purpose of the Rent Deposit Guarantee Scheme is to assist people to access accommodation where they're unable to afford the deposit.
Eligibility / Who can apply	People who are threatened with homelessness or who are homeless and are working with Housing Solutions to find accommodation and are unable to afford to pay a bond or deposit.
What can it be used for?	The RDGS is a written guarantee to a landlord to secure accommodation. The guarantee provides written agreement that the council will reimburse any damage that may be caused by you or your household during your tenancy.
Amounts (minimum and maximum)	There is no minimum amount. A maximum payment of £500 to any one person will be made. Consideration may be given to payments of over where there is a sound business case.
Interest Rate	Not applicable
Arrangement Fee	Not applicable
Payment arrangements	Not applicable
Conditions	
Legislation	

Retail Loan Scheme

<p>Loan Scheme Purpose</p>	<p>To deliver an interest free loan scheme that aims to:</p> <ul style="list-style-type: none"> • Encourage purchase and/or improvements to premises across the County’s retail centres with a focus on vacant and derelict premises. • Support regeneration of areas suffering from market vulnerability and to tackle poor building stock that may contribute to town or village centre decline. • Secure opportunities to delivery sustainable uses including residential, leisure and commercial.
<p>Eligibility</p>	<ul style="list-style-type: none"> • Properties must be within County Durham • Properties must be vacant, derelict or in a poor state of repair • The Scheme is open to individuals or businesses purchasing a vacant or derelict property or looking to make significant improvements to a property. • Property owners or tenants with a lease beyond the loan repayment period
<p>What can the loan be used for?</p>	<p>The loan must be used with the intention of improving occupancy across our retail centres, examples are:</p> <ul style="list-style-type: none"> • Towards the purchase of properties to be brought back into use • Towards conversion of properties in line with local needs • Towards change of use of properties to secure sustainability • Toward improvements to properties to secure end use

<p>Non-Eligibility</p>	<p>The scheme will not support known end uses that include, but is not restricted to:</p> <ul style="list-style-type: none"> • payday loan companies • charity shops • pawnbrokers • adult shops • take-aways <p>The scheme is discretionary and all applications are considered on an individual basis.</p>
<p>The Loan</p>	<p>To access the Loan Scheme the following may apply:</p> <ul style="list-style-type: none"> • Financial checks of the applicants • Property valuations prior to purchase and/or improvement works • Estimated valuation of property following proposed works
<p>Loan Terms</p>	<p>Terms will be dependent on the amount and intended use but may include:</p> <ul style="list-style-type: none"> • A contribution towards the purchase and/or improvements by the applicant • If applicable, the Loan would be secured against the property • An agreed schedule of payments of the Loan to the applicant • An agreed schedule of repayment of the Loan by the applicant
<p>Loan Interest Rates</p>	<p>The loan will be interest free, unless in the instance of default, where the rate of interest will be charged at 4% plus the Bank of England Base Rate.</p>

Administration Fee	An administration fee of 5% of the loan amount will be added to the loan amount, which will be repaid first from the monthly repayments
Alternative Support	If it is deemed that the Council can offer or identify a better financial support option, this will deem them ineligible to access this Interest Free loan scheme.

Financial Assistance Conditions

8. 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.
- 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.

9. Prior to the Works

9.1 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.

9.2 The Property and the Works

- a) The property must be registered with Land Registry at the time of the application for assistance. Where a property is leasehold then permission of the freeholder must be obtained where necessary prior to application.
- 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.

9.3 The Application

9.4 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.

10. Carrying Out and Completing the Works

- 10.1** 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;
- 10.2** 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.
- 10.3** 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;
- 10.4** 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.
- 10.5** 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.

11. After the works

- 11.1** 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
- 11.2** 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;

11.3 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;

11.4 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.

12. The Legal Charge and Local Land Charge

12.1 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.

12.2 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").

12.3 For all other forms of financial assistance the charge will remain on the property until the financial assistance is repaid.

12.4 In relation to an application made by a Limited Company, the application must be supported by a Directors personal guarantee to assure payment of the loan.

12.5 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.

12.6 Reducing the priority of the charge or removing the charge will only be undertaken in exceptional circumstances and maybe subject to additional fees.

12.7 A charge is binding on the person (and the property) who is for the time being an owner of the premises concerned.

12.8 Where a condition is broken, the Council has all the usual remedies in law to secure repayment including enforcement of the charge.

13. Repayment of Financial Assistance - Owner occupiers

13.1 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;

- 13.2** In relation to Capital and Interest Repayment Loans, repayments are received in accordance with financial assistance approval and the 'Loan Offer' made.
- 13.3** 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 (including if the property is rented out. 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.
- 13.4** 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)
- 13.5** 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.
- 13.6** 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.

14. In More Detail - Repayments of Financial Assistance – Landlords

- 14.1** 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;
- 14.2** In relation to Capital and Interest Repayment Loans, repayments are received in accordance with financial assistance approval and the ‘Loan Offer’ made
- 14.3** 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
- 14.4** It is a requirement that a landlord is a member of the private landlord accreditation scheme, prior to application and for the term of the loan, 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.
- 14.5** 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.
- 14.6** 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.

15. General Notes:

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.

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.

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.

An "EXEMPT disposal" means a disposal that is:

- Of the whole of the dwelling to the owner or one of the joint owners of the dwelling.
- Of the whole of the dwelling by Court order in the course of a domestic breakdown;
- Compulsorily, or by agreement, to a public body with compulsory purchase powers;
- Of land which is "included land" under Section 184 of the Housing Act 1985;

16. 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.

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. 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 is an example of what repayments would be at 2.75% (at January 2020):

Amount Borrowed	Term	Monthly Repayment	Total Cost
£1000	2 years	£42.86	£1,028.64
£5,000	5 years	£89.21	£5,352.60
£10,000	10 years	£95.26	£11,431.20

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	• Value of existing home	£60,000
Loan required	£ 12,000	• Equity Loan	£20,000
Loan as a percentage of the property value	13%	The loan is equal to a quarter of the value of the new home	25%
House Value on sale (when the loan must be repaid)	£ 100,000	House value on sale	£90,000
Loan amount repaid (13% of the property value at the time of loan repayment)	£ 13,000	Repayment 25% of £90,000	£22,500