

**PRIVATE SECTOR HOUSING
FINANCIAL ASSISTANCE POLICY**



HOUSING SERVICES

April 2014

HOUSING SERVICES

Financial Assistance Policy 2014

1.0 Objectives of the Policy

1.1 This document sets out Eastleigh Borough Council's policy on providing financial assistance aimed at improving and maintaining community cohesion and vitality and addressing social exclusion issues that can result from the occupation of poor or inappropriate housing.

1.2 The policy shall provide for a service that is consistent with the Council's current policies, strategies and corporate objectives and mission to improve the quality of life for all its residents. The condition and profile of housing within the Borough can be shown to have a major input into the Council's ability to meet its three priority themes as follows:

Environment: Safeguarding the local and global environment by reducing energy use and encouraging sustainable development and renewal and preventing area decline, anti-social behaviour and social exclusion.

Health: Ensuring homes are warm and dry, safe, secure and healthy places to live.

Prosperity: Contributing to the supply and availability of a choice of housing within the Borough to facilitate economic vitality and maintain communities.

2.0 Scope of the Service

2.1 The policy shall support a service that is consistently, transparently and proportionately targeted at properties whose occupiers need help to repair, improve or adapt their homes and vulnerable people who are excluded from mainstream sources of financial assistance. It will encourage homeowners to install technology that saves energy and improves sustainable living. In addition it will encourage private sector landlords to improve and maintain rented accommodation beyond their statutory obligations and will help bring empty dwellings back into use.

2.2 Specifically the policy:

- Provides assistance and advice to owners¹ and tenants (who have repairing obligations) that will enable them to repair and maintain their homes to a decent standard².
- Helps people with disabilities obtain grant funding for adaptations to their home that will allow them to continue living there with an improved quality of life
- Gives priority assistance to people with disabilities, older people and those who are on low incomes, who are otherwise excluded from accessing reputable forms of financial assistance.
- Helps people with disabilities move to alternative private or affordable housing when their existing homes are unsuitable for adaptation or to assist with access to funding options for adaptations that exceed the mandatory disabled facilities grant limit.
- Helps access to funding options for adaptations that do not qualify for mandatory disabled facilities grant (DFG) when the adaptation will enhance quality of life.
- Assists homeowners with disabilities to adapt and improve the appearance of their homes to reduce hazards that may cause injury and prevent gardens from looking so far neglected that they attract anti-social behaviour, bogus callers and other criminal activity.
- Encourages owners to bring their empty dwellings back into occupation. This is in line with the Private Sector Housing Strategy.
- Assists landlords of rented properties and HMOs (Houses in Multiple Occupation) to access options for funding to comply with the Council's standards in respect of fire safety and the provision of additional amenities.
- Supports housing related public health projects such as slips, trips and falls.

¹ Works required to meet a landlords statutory obligations under Part 1 Housing Act 2004 shall not be eligible for financial assistance within the terms of this policy i.e. works to remedy any Category 1 or 2 hazards that require remediation resulting from a health and safety rating assessment carried out under the said Part 1, except for fire safety works and the provision of additional amenities in HMOs that are required to meet with the Council's adopted standards.

² THE DECENT HOMES STANDARD:

A property shall attain the decent homes standard when:

- It is free from Category 1 hazards as defined by Part 1 Housing Act 2004 and with reference to guidance given under Section 9 of the Act.
- It is in a reasonable state of repair.
- It has reasonably modern facilities and services i.e. a modern kitchen (less than 20 years old) and bathroom (less than 30 years old)*
- It provides a reasonable degree of thermal comfort i.e. effective insulation and efficient heating. Insulation shall comprise cavity and loft insulation, double-glazing, hot water tank and pipe lagging, and draught proofing compliant with current Building Regulation requirements where practicable and subject to Planning consent where applicable. Space heating shall comprise the provision of sufficient appliances capable of maintaining temperatures that satisfy health and safety rating requirements.

* The condition of these facilities must be such that they are suitable for their purpose due to health and safety or hygiene issues.

- Encourages owners and tenants to undertake works that will facilitate sustainable living by making their homes more energy efficient and reliant on fewer natural resources.
- Aims to ensure the sustainability of financial assistance by the creation of a rolling fund generated by grant and loan repayments.

2.3 Exclusions

The policy excludes giving financial assistance to:

- Registered Providers (but their tenants can access DFGs).
- Tenants, where the works are the statutory responsibility of their landlords or where contained in their Tenancy Agreement
- Landlords who have had formal enforcement action taken against them within the past 5 years (at the discretion of the Head of Housing and Environmental Health).

2.4 Equal Opportunities

This policy shall be implemented without discrimination against a person's culture, gender or disability. Monitoring will be undertaken to ensure that a fair service is available to all.

2.5 Health and Safety

Nothing in the policy shall have precedence over the Council's Health and Safety Policy including any relevant risk assessments and safety advice documentation.

2.6 Impact Assessment

An equality impact assessment has informed the development of this policy. (See Appendix 2)

3.0 Legislative parameters

3.1 Housing Act 2004

Requires local authorities to consider the housing conditions within their district with a view to determining what action to take under their duties and powers contained within subsidiary legislation to deal with hazards that are identified. (Refer Section 3 of the Act).

3.2 Regulatory Reform (Housing Assistance) (England & Wales) Order 2002

Gives local authorities a general power to provide assistance, including financial assistance towards the repair, improvement and adaptation of dwellings as part of a robust housing renewal strategy.

3.3 Housing Grants, Construction and Regeneration Act 1996

The act provides legislation for the provision of grant aided adaptations for disabled persons. The aim of part of the act is to allow for provision of adaptations to peoples homes to reduce both the need for people to relocate and to reduce the amount of care needed in peoples homes. In order for adaptations to be provided an occupational therapist is usually required to carry out an assessment of the needs of the applicant.

4.0 Guidance

4.1 DCLG Circular 05/2003 – Housing Renewal

Gives guidance on the forms of assistance that local authorities are expected to provide within the general power given to them by the Regulatory Reform (Housing Assistance) (England & Wales) Order 2002.

5.0 General Provisions

- 5.1** The Council will give consideration to every application for financial assistance received. Each applicant will be the subject of an affordability test, where applicable, that will determine the form of financial assistance the Council will offer in accordance with this policy.
- 5.2** Where demand for assistance exceeds the capacity of the service an assessment of the case will be used to prioritise applications according to need based upon the condition of the property and its effect on the health of the occupant(s).
- 5.3** The Community Team Leader is responsible for monitoring compliance with this document and is authorised to make amendments only with the expressed approval of the Cabinet Lead Councillor, save for minor non-policy matters. The Community Team Leader will ensure the policy is updated as necessary.
- 5.4** All decisions relating to the provision of financial assistance to homeowners and tenants with repairing obligations shall be taken having regard to this policy.
- 5.5** All activities relating to this policy must be carried out in accordance with the procedures and guidelines set in place by the Head of Housing and Environmental Health Services.
- 5.6** For the purposes of this policy, the term 'dwelling' shall include Mobile Homes and House Boats.

6.0 Finance Assistance Options

The range of financial assistance, subject to availability, will include:

6.1 Financial products provided by an approved third party. Providers will be approved by the Head of Housing and Environmental Health, Cabinet Member for Housing and Customer Services and the Head of Financial Services.

Details of current provider(s) and products provided are shown in **Appendix 1**.

6.1.1 The loan provider currently used is Parity Trust which is a not for profit community financial institution. The Council subsidises loans through Parity Trust. There is no arrangement or administration fee. The cost of taking out a Legal Charge on a person's home has to be paid.

6.1.2 Loans are currently provided to assist homeowners with repairs, to top up mandatory DFG grants, to help bring empty homes back into use and to help with the installation of energy efficiency measures. A range of loan repayments are available.

6.1.3 Parity Trust are registered by the Financial Service Authority (FSA) and can provide advice, including financial advice to clients seeking to use their loan products.

6.1.4 The Council will work with other financial providers from time to time.

6.2 Grants funded by the Capital Investment Programme:

- A mandatory Disabled Facilities Grant (DFG) up to a maximum of £30,000. This may, though, be repayable in certain circumstances. (see Section 8.5 for details). In 2014/2015 there is an agreed budget of around £1.2m for DFGs.
- A Relocation Grant of up to £3000 from the DFG budget to encourage all applicants with disabilities to move when their existing home is unsuitable for adaptation. The grant will be approved based on acceptable quotes being obtained and will cover items such as removal costs, the disconnection and reconnection of services and an allowance for replacement carpets/ floor coverings.
- Each grant shall be considered on its individual merits and awarded at the discretion of the Head of Housing and Environmental Health Service having regard to this policy. Due regard will be had for the capacity contained within the current Capital Investment Programme approved budget.
- An HMO grant of up to £5000 funding is available on a discretionary basis and subject to availability of funding.

6.3 Other Funding Streams

6.3.1 The Green Deal and Energy Company Obligation funding. Clients can be signposted to these schemes where they would benefit from measures to improve their home's energy efficiency.

6.3.2 Applicants requiring assistance for sums less than, typically, £300 shall be referred to the local Credit Union.

6.3.3 Slips, Trips and Falls budget of £10,000 during 2014/15 also part of DFG budget.

7.0 Client Financial Eligibility

7.1 Disabled Facilities Grants are subject to a statutory test of resources. The same test of resources will be used for relocation grants but any client contribution will be at the discretion of the Head of Housing and Environmental Health and based on individual circumstances.

7.2 Where the test determines that an applicant has sufficient income/equity to meet the cost of the works from a mainstream source they will be offered information and practical assistance to help them secure an alternative appropriate funding package.

7.3 Applicants whose financial circumstance exclude them from accessing finance from a mainstream source shall, subject to the availability of funds, be considered for a discounted low cost finance package. **Under no circumstance will an offer of financial assistance in the form of a discounted low cost finance package be made if it is not affordable.**

7.4 Owners wishing to convert a property to an HMO will not automatically be eligible for a grant or loan. Need will be determined by the Head of Housing & Environmental Health Services in conjunction with the Cabinet Lead Councillor and be subject to the views of the Development Control Manager and current Planning Policy. No grant shall be awarded to any owner who has been the subject of statutory actions³ within the previous 5 years.

7.5 The affordability test shall not apply to the following forms of financial assistance:

- Grants to help people relocate to a property that is more suited to their needs where this will result in a saving of DFG funding.
- DFGs where the disabled person in the household is a dependant child.
- Grants and loans to provide additional amenities and fire precautions within existing HMOs.
- Loans to bring empty dwellings back into use.
- Loans for owners who wish to install more sustainable forms of energy generation and make better use of natural resources.
- Loans for owners who wish to improve access to their homes for people with impairments in accordance with current Building Regulation requirements.

³ Statutory actions shall include action concerning the remediation of hazards and poor management; the harassment of tenants including illegal eviction and actions to recover bad debt such as the non-payment of Council Tax.

7.6 The award of a grant or loan shall be subject to the conditions set out in Section 8 of this policy.

8.0 Disabled Facilities Grant and Loan Conditions

General Conditions:

- 8.1 The award of any grant or loan is subject to the availability of funding having regard to the capacity of the Capital Investment Programme approved budget.
- 8.2 Financial assistance provided by third parties through the Council shall be subject to such conditions and requirements as they may determine.
- 8.3 Owners must hold Title to the property for which assistance is requested or a Lease with an unexpired term of 5 years. Owners of mobile homes must have an unexpired right of occupation of their site plot for at least 5 years. Owners of houseboats must have an unexpired permanent mooring agreement of at least 5 years.
- 8.4 It shall be a condition of the award of any grant that any specialist equipment, including stair lifts, through floor lifts, automatic toilets (Clos-o-mat and Geberit) and modular ramping can be recovered and recycled at the discretion of Eastleigh Borough Council for re-use on the removal of the original need or the disposal or change of use of the property.
- 8.5 Section 52 of the Housing Grants, Construction and Regeneration Act 1996 (“the Act”) allows LAs to impose repayment conditions on DFGs but only with the consent of the Secretary of State. Section 52 makes it clear any repayment condition is a local land charge.

In May 2008 the Secretary of State for Communities and Local Government gave all LAs a general consent to impose a repayment condition in respect of DFGs in certain circumstances which are described below. The consent was contained in a document entitled Housing Grants Construction and Regeneration Act: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008 (“General Consent”).

The power given to LAs to impose a repayment condition on DFGs is subject to the following prescribed criteria

- The LA may demand repayment of any amount of a DFG which exceeds £5,000 to a maximum repayment of £10,000.
- The applicant (“the recipient”) must have a qualifying owner’s interest in the premises on which the relevant works are to be carried out
- The recipient disposes (whether by sale, assignment, transfer or otherwise) of the premises within 10 years of the certified date of completion of the works.
- The LA is satisfied that it is reasonable in all the circumstances to require the repayment after considering the following:

- The extent to which the recipient would suffer financial hardship from having to repay all or any of the grant;
 - Whether the disposal of the premises is to enable the recipient to take up employment, or to change the location of his/her employment;
 - Whether the disposal is made for reasons connected with the physical or mental health of the recipient or of a disabled occupant of the premises; and
 - Whether the disposal is made to enable the recipient to provide or receive care;
- Any DFG subject to a repayment condition is a local land charge (section 52 of the Act), and must be registered accordingly.
 - A decision to introduce a repayment condition on DFGs will not disadvantage recipients as the adaptation remains free at the point of delivery
 - In any case where the Head of Housing and Environmental Health Services, in consultation with the Cabinet Lead Councillor and Chief Finance Officer (CFO), consider it to be reasonable based upon the individual circumstances of the case.

8.6 Where a loan or grant has been awarded the recipient must immediately notify the Council when they decide to dispose of or permanently vacate the property or in the case of a landlord, they cease to make the property available for letting.

8.7 All applicants shall be expected to maintain adequate buildings insurance.

8.8 The applicant shall endeavour to maintain the property in good repair following completion of the works. Failure to do so may prejudice future applications for financial assistance.

8.9 The Council shall impose a condition requiring repayment of a loan or grant awarded for works that are subsequently the subject of a successful insurance or other legal claim for damages. A demand for repayment shall be made at the discretion of the Cabinet Lead Councillor in consultation with the Head of Housing and Environmental Health Services and Chief Finance Officer (CFO).

8.10 The Council shall demand repayment of a (loan or) grant in full upon breach of one or more of the conditions. A demand for a lesser amount shall be considered at the discretion of the Cabinet Lead Councillor in consultation with the Head of Housing and Environmental Health Services and Chief Finance Officer (CFO).

8.11 In all other circumstances there shall be no discretion to waive repayment of a loan except where the loan provider advises that legal action to recover the loan would, on the balance of probabilities, be unsuccessful.

Properties Available for Letting:

8.12 It shall be a condition of the award of a loan in respect of a property that is or will be available for letting that:

8.12.1 The Council shall be entitled to nominate tenants to the property for a period of 5 years commencing from completion of the work. This condition will not apply whilst existing tenancies are in place, however the landlord must notify the Council should a vacancy arise during the 5 years period.

8.12.2 The grant or loan shall be repaid upon demand should the property cease to be available for letting within 5 years from the completion of the works.

Renewable Energy Green Deal:

8.13 Only approved contractors are permitted to carry out renewable energy installations. Owners must apply for and claim any grants available (before they will be eligible for assistance under this policy).

9.0 Provision of Advice and Information

The Council will provide information and advice to applicants for financial assistance and to the wider public. Council Officers are not able to provide financial advice on loan products although Parity Trust may provide this in appropriate cases.

9.1 Information on assistance available, including copies of the Council's policies and strategies is available on the website - www.eastleigh.gov.uk. An information leaflet on DFGs is also available on request and is provided automatically to DFG applicants. Parity Trust website has information on their products. See www.ParityTrust.org.

9.2 The Private Sector Housing Team includes Surveyors who are able to assess repairs and works needed to properties and give an estimate of the cost. For vulnerable clients we are also able to assist with the appointment of contractors and the management of works. The extent of help provided will depend on the staff resources available and the needs and other options for assistance of the client.

10.0 PROCEDURES

Applications:

10.1 Applications for Council loans or grants shall be supported by 3 contractors' estimates except for works costing less than £5,000 where only 2 shall be required. In exceptional cases e.g. involving specialised work, works identified as of an urgent nature by the Occupational Therapy manager or where a client is in respite care or cannot remain in the property during the works, a single estimate may be accepted at the discretion of the Head of Housing and Environmental Health Services.

- 10.2** Applicants who wish to carry out work themselves cannot include for their own labour charges and must include a detailed estimate of the materials required with their applications.
- 10.3** A list of contractors who have previously completed work to a satisfactory standard and who wish to be on the list shall be made available to all applicants.
- 10.4** Maintenance free materials shall be used except where the cost would be prohibitive or where legislative restrictions prevent their use.
- 10.5** Applications shall include relevant signed certificates concerning ownership and occupation conditions and evidence of adequate property insurance.
- 10.6** Applications shall include confirmation that all Planning, Building Regulation, Party Wall Act and such other applicable statutory requirements have been satisfied.
- 10.7** An application shall be refused in respect of any work that has already been carried out. No work for which assistance is sought shall be commenced prior to approval except where there is an overwhelming health or safety reason. In such instances work must not commence without the written permission of the Head of Housing and Environmental Health Services. Such permission shall not be taken as a guarantee that a loan or grant will be subsequently awarded.

Approvals:

- 10.8** Loans and grants shall only be awarded to qualifying applicants undertaking eligible works and shall in all cases be subject to the availability of funds.
- 10.9** Provision shall be made for adjusting loan and grant amounts when unforeseen variations in costs occur whilst work is in progress.
- 10.10** Grant approvals shall be authorised the following Community team leader, Environmental Health Manager and the Head of Housing and Environmental Health

£0.00 to £10,000 Single signature required
£10,001 to £30,000 Two Signatures required

Completions:

- 10.11** Where a contractor is employed, grants for repairs, improvements and adaptations shall be paid directly to the contractor upon satisfactory completion of the work and only when supported by a satisfactory invoice together with any relevant certificates and guarantees and building control notice completion.

11.0 Reviews of Decisions and Complaints

Applicants for assistance may request a review of decisions taken about their applications. This will be carried out by an officer senior to the officer taking the original decision. The Council's complaints policy is available on the website or on request if dissatisfied with the service.

12.0 Service Standards

This policy will be reviewed by March 2016.

13.0 Consultation

The following have been consulted in the preparation of this document:
Helen Coleman, CAB, Finance, Legal, Alex, Development Management, Adult and Children's Services, Age Concern, ESPOPF, One Community, EAST, First Wessex,

Appendix 1

- An equity release package secured against the applicant's dwelling.
- A discounted capital and interest repayment loan up to £30000 secured against the applicant's dwelling, that is paid back in monthly instalments together with interest over an agreed period of time or upon disposal of the property or breach of any applicable loan conditions which ever is the sooner.
- A discounted interest repayment only loan up to £30000, secured against the applicant's property, where only the interest is paid monthly until the amount borrowed is repaid. Repayment of the capital sum shall be for an agreed term and no later than upon disposal of the dwelling or breach of any applicable loan conditions which ever is sooner.
- A discounted rolled up interest loan up to £30000, secured against the applicant's dwelling, which has no monthly repayment but will accrue compound interest until it is repaid. Repayment shall be no later than upon disposal of the dwelling or breach of any applicable loan conditions which ever is sooner.
- An unsecured capital and interest repayment loan for sums less than, typically, £1000.
- The interest rate to be charged on loans may be changed from time to time to ensure the subsidy payments are affordable to the council.
- A non-subsidised loan product will usually be offered for use by landlords and owners of empty properties in certain areas.

Appendix 2

**Eastleigh Borough Council
Equal Opportunities Assessment**

All questions should be answered with any / all of the equality areas in mind

Race / gender / disability / religion or beliefs / sexual orientation / age

1. Name and aim(s) of policy / procedure / practice / function being reviewed

Financial Assistance Policy

The Financial Assistance Policy sets out Eastleigh Borough Council's policy on providing financial assistance aimed at improving and maintaining community cohesion and vitality and addressing social exclusion issues that can result from the occupation of poor or inappropriate housing. In particular it sets out the Council's approach to the financial aspects of Disabled Facilities Grants

2. Is there any evidence of the policy/procedure/practice impacting on specific identified groups **(and is this a positive or negative impact)** – please provide details?

(Evidence may be available from the following sources: complaints / customer feedback / stakeholder consultation / employee or member feedback / public data e.g. BVPI's)

As the majority of the documents relate to the funding of adaptations for people with disabilities, they have a major positive impact on this group. Specific needs due to religion can be considered during the design process. There is a legal requirement that all children's' DFGs are fully funded, whereas adult DFGs are means tested. The policy makes it clear that DFGs must be partly repaid if the property is sold within 5 years of completion of the DFG. Loans are given based on financial circumstances and rules and are targeted at people who would otherwise be unable to afford to improve their properties so has a positive impact.

3. On the evidence you have, if there is **adverse impact**, what steps will be taken to remove / minimise it?

No adverse impact identified.

4. On the evidence you have, does it show any **unmet needs** or **requirements** of specific groups?

Currently we do not feel that any customer is disadvantaged by the service we provide but consultation with minority groups may dispute this. Occasionally there will be disputes as to the level of work that will be grant funded, but we will always try to fund what is required by the Occupational Therapist in the most cost effective way.

6. If **unmet needs** or **requirements** have been identified, what steps will be taken to meet the needs or requirements?

N/A

7. If there is insufficient evidence to answer the above, do you think additional information needs to be sought (if `no`, please explain why) and what steps / timescales are to be taken to collect additional data?

We are carrying out a consultation on the updated policies.

8. What consultation has taken place and what were the results

Currently undertaking.

9. Summary of agreed actions to be taken (identified in 6 & 7 above).

This will be completed post consultation

Action	Timescale	Lead Officer

Date EIA completed
Lead Officer: Matt Blythe
Review Date