

## Portsmouth City Council

### Private Sector Housing Financial Assistance Policy 2011

This document sets out the policy for financial assistance available from 2011, and includes:

- Assistance available
- Eligibility requirements for the assistance
- Terms and conditions of the assistance
- Remedy in the case of breach of the terms and conditions

#### **Types of assistance available**

- Mandatory Disabled Facilities Grant
- Disabled Facilities Assistance - Discretionary
- Disabled Persons Equipment Replacement Assistance- Discretionary
- Palliative Care Assistance- Discretionary
- Home Repair Grant- Discretionary
- Home Improvement Loan- Discretionary
- Landlord Assistance Loan- Discretionary

All assistance packages are discretionary and therefore are provided subject to funds being available. For this reason provision of this assistance may be limited or discontinued at any time. The one exception to this is the Mandatory Disabled Facilities Grant, where funds must be made available to provide this assistance within a time limited period.

#### **1 HELP FOR PEOPLE TO LIVING INDEPENDENTLY IN THEIR HOME.**

##### **1.1 Disabled Facilities Grant (Mandatory)**

A grant of up to £30,000 to help people meet the cost of adaptations to a disabled person's home. The Council is required to ascertain that the works are necessary and appropriate for the needs of the individual, and that it is reasonable and practical to carry out the works having regard to the age and condition of the dwelling.

##### **1.1.1 Scope of works**

Works that can be considered for mandatory disabled facilities grant are:

- Adaptations to aid access into and around the dwelling
- Works to ensure the safety of a person
- Provision of suitable bathroom or sleeping facilities, heating, and access to lighting and power.
- Provision of suitable kitchen facilities or adaptation of existing kitchen.
- Adaptation to enable the disabled person to care for dependent residents.

Where more than one solution meets the needs of the disabled person, grant assistance will be given for the most cost effective option.

### 1.1.2 Eligibility

Allocations will be considered from:

- Disabled homeowners and private sector tenants
- Disabled people living at home with their family
- Parents or Guardians of a disabled child
- All applications will require consultation with Social Services, which will usually be in the form of a referral from a City Council Social Care Occupational Therapist.

### 1.1.3 Terms and conditions

- All applications are subject to the standard test of resources as set out in the Housing Renewal Grant Regulations 1996 to calculate the amount the applicant should contribute to the cost of the works. This test will only be applied to the means of the disabled occupant, spouse or partner.
- There will be no means testing for families with disabled children under the age of 19.
- If the disabled person has contributed to a disabled facilities grant within the last ten years, or five years if a tenant, their contribution will be reduced by any previous contribution.
- The disabled occupant must continue to occupy the property as their only and principal home for 5 years from the certified grant date, unless their health or personal circumstances prevent them from doing so.
- Grants of more than £5,000 to owner occupiers will be registered as a land charge. The charge will be for a maximum of £10,000. This will be subject to repayment if the property is sold within 10 years of the Certified Grant Date<sup>1</sup> at the discretion of the Council.
- The applicant will be exempt from repayment of the grant if they move from the property to live in residential care or supported living accommodation.

NB: These provisions are subject to circular advice, and can be varied by the Department of Communities and Local Government.

## 1.2 Disabled Facilities Assistance (Discretionary)

A loan of up to £10,000 for disabled facilities to help meet the applicant's means tested contribution towards the mandatory Disabled Facilities Grant (1.1 above).

### 1.2.1 Terms and conditions

- The loan must be paid by instalments to enable full repayment of the capital and interest within the loan period.
- Duration of loan will be subject to individual circumstances and the sum loaned.
- The applicant will sign a formal Legal Charge which will be secured on the property by way of registering a Legal Charge at the Land Registry. More detailed information is provided in section 4.2 of this document.

---

<sup>1</sup> The date that the Council considers all the works to the property to be complete to a satisfactory standard. The applicant will be given written confirmation of this date.

- The general conditions for home improvement loans will apply to Disabled Facilities Assistance, as detailed in Section 5 of this document.

### **1.3 Disabled Persons Equipment Replacement Assistance (Discretionary)**

A grant of up to £5,000 to replace obsolete or defective equipment.

#### **1.3.1 Scope of works**

Examples of work that can be considered for this assistance are:

- Replacement of stair lifts
- Replacement of disabled shower units

#### **1.3.2 Eligibility**

As for the mandatory Disabled Facilities Grant as in 1.1.2 above.

#### **1.3.3 Terms and conditions**

The client should ensure that the equipment is kept in good condition.

### **1.4 Palliative Care Assistance**

A grant to fund the installation of a stair lift.

#### **1.4.1 Scope of works**

The loan and installation of second hand, reconditioned stair lifts.

#### **1.4.2 Eligibility**

Applications will be considered from:

- Homeowners or private tenants who are in palliative care.
- A person in palliative care living at home with family
- Parents or Guardians with a disabled child in palliative care living at home.
- Applications supported by City Council Social Care Occupational Therapist.
- Applications from or supported by hospices to enable people to return home for care.

#### **1.4.3 Terms and Conditions**

- The client should ensure that the equipment is kept in good condition.
- When the stair lift is no longer needed for the purpose for which it was provided, it must be returned to the supplier.

## **2 HELP FOR OWNER OCCUPIERS TO REPAIR AND IMPROVE THEIR HOMES**

### **2.1 Home Repair Grant**

A grant of up to £4,000 to remedy disrepair that would affect the health and safety of the occupants.

#### **2.1.1 Scope of works**

The Council can use its discretion to provide assistance to remedy what it considers to be the most significant health and safety risks, through the following:

- Electrical wiring or repairs
- Replacement of the means of providing hot water or heating, where the boiler is at least 10 years old and cannot be repaired. See section 2.1.2 for eligibility criteria specific to the replacement of hot water and heating systems.
- Repair/replacement of windows liable to collapse or fall out
- Repair/replacement of ceilings liable to collapse
- Repair/replacement of floors liable to collapse
- Treatment of significant rising or penetrating damp
- Works to remedy water penetration

Work to remedy any significant Category 1 Hazards under the Housing Health and Safety Rating System not included in the above.

#### **2.1.2 Eligibility**

Applications will be considered from homeowners who satisfy the general eligibility conditions detailed in section 4.1 of this document.

In addition the following eligibility criteria will apply:

- No previous Home Repair Assistance has been provided for the applicant or the property within the last 3 years.
- The applicant or partner is receipt of income based qualifying benefits such as:
  - Council Tax Benefit
  - Income Support or Income based Job Seekers Allowance
  - Disabled Persons Tax Credit, or
  - on a low income but not in receipt of benefits, i.e. less than £1,500 contribution after means testing.
- For replacement of means of heating or hot water, the applicant must:
  - be assessed to be in fuel poverty, or
  - be living in a property with a SAP<sup>2</sup> rating of 35 or below, and
  - agree to undertake insulation work specified by the Council such as loft and/or cavity wall insulation, which will not be funded through this policy.

---

<sup>2</sup> SAP is the national standard for calculating the energy performance of buildings on a scale of 1 to 100, based on heating and hot water costs.

### 2.1.3 Terms and Conditions

- No further grant will be given within 3 years of the Certified Grant Date<sup>3</sup>, either for the property, or persons receiving this grant
- The grant will be registered on the Local Land Charges Register.
- Other conditions that apply to this grant are detailed in section 4.2 and 4.3 of this document.

## 2.2 Home Improvement Loans for owner occupiers (Discretionary)

A variety of affordable loans of up to £35,000 to enable vulnerable owner occupiers to carry out work to improve their homes.

### 2.2.1 Scope of works

- Works to remedy significant hazards under the Housing Health and Safety Rating System within the Housing Act 2004.
- Installation of a renewable energy source, which could include:
  - Solar thermal water heating
  - Photovoltaics
  - Ground source heat pump
  - Micro CHP

### 2.2.2 Eligibility

Applications will be considered from homeowners who satisfy the general eligibility and equity requirements, detailed in sections 4.1 and 5.1 of this document.

In addition the following eligibility criteria will apply:

- No previous Home Repair Assistance has been provided for the applicant or the property within the last 3 years.
- The applicant or partner is receipt of income based qualifying benefits such as:
  - Council Tax Benefit
  - Income Support or Income based Job Seekers Allowance
  - Disabled Persons Tax Credit, or
  - on a low income but not in receipt of benefits, i.e. less than £1,500 contribution after means testing.
- For replacement of means of heating or hot water, the applicant must:
  - be assessed to be in fuel poverty, or
  - be living in a property with a SAP rating of 35 or below, and
  - agree to undertake insulation work specified by the Council such as loft and/or cavity wall insulation, which will not be funded through this policy.
- The type and value of the loan offered will depend on the condition of the property, and the individual circumstances of the applicant. The loans provided are detailed in section 2.2.4 of this document.

---

<sup>3</sup> The date that the Council considers all the works to the property to be complete to a satisfactory standard. The applicant will be given written confirmation of this date.

### 2.2.3 Terms and conditions

The general conditions for loans will apply to these loans, as detailed in section 4 and 5 of this policy document.

### 2.2.4 Types of loans available to owner occupiers

#### Capital repayment loan

- Duration of loan – Subject to individual circumstances and the sum loaned.
- Interest free period – first 2 years.
- The loan must be paid by instalments to enable full repayment of the capital and interest within the loan period.

#### Low start capital repayment loan

- Duration of loan – Subject to individual circumstances and the sum loaned.
- Payment holiday – first 2 years
- Interest free period – first 5 years.
- The loan must be paid by instalments to enable full repayment of the capital and interest within the loan period.

#### Interest only loan (only available to people aged 70 or over)

- Duration of loan – life
- Interest only paid for the duration of loan

#### Vulnerable persons loan

- Duration of loan – life
- Interest free period - Life
- Full repayment will become due on the death of the applicant(s).

This loan is available to applicants who are receiving income related benefit, and have within the household:

- an occupant aged 70 or over, or
- an occupant who is registered disabled, or
- at least one vulnerable age group for a Category 1 hazard (under the HHSRS).

#### Note:

- Loans given for life are subject to the owner occupation conditions detailed in section 4.3.2 of this document.
- The loan offered to the applicant will be the one considered to be most appropriate for the applicant's circumstances.

### **3 HELP TO REPAIR AND IMPROVE PRIVATE RENTED HOUSING**

#### **3.1 Landlord Assistance Loan (Discretionary)**

An affordable loan of up to £35,000 to enable landlords to carry out work to their homes to remove significant health and safety hazards from their property, or bring an empty property back into use.

##### **3.1.1 Scope of works**

- Works to remedy significant hazards under the Housing Health and Safety Rating System within the 2004 Housing Act.
- Installation of a renewable energy source, which could include:
  - Solar thermal water heating
  - Photovoltaics
  - Ground source heat pump
  - Micro CHP

##### **3.1.2 Eligibility**

- The applicant must be the freehold owner of the property, and be letting, or intending to let the property.
- The type of loan that will be offered will depend on the individual circumstances of the applicant, and where applicable, subject to a satisfactory company search.
- The offer of a loan will be subject to sufficient equity being available in the property.
- The applicant must agree to become a member of the Council's Accreditation Scheme for private rented housing for at least three years. Membership of this requires landlords to comply with high standards of management and maintenance of their properties.
- The applicant will be subject to a Landlord Assessment under Section 66 of the Housing Act 2004.

##### **3.1.3 Terms and Conditions**

###### **Terms:**

- Duration of loan – up to 7 years subject to circumstances and amount of loan.
- Interest free period – first 2 years.
- The loan must be paid by instalments to enable full repayment of the capital and interest within the loan period.

###### **Conditions:**

The general conditions for assistance will apply to this loan, as detailed in sections 4 and 5 of this policy document.

## **4 GENERAL CONDITIONS FOR ALL REPAIR AND IMPROVEMENT ASSISTANCE**

These conditions apply to grants and loans for both owner occupiers and landlords, but not to disabled facilities assistance.

### **4.1 Eligibility conditions**

- Applications for assistance must be made prior to the commencement of work.
- The property must be at least 10 years old.
- The applicant must have owned the property for at least 3 years.
- The property must not be on the market to be sold.
- The property must be within Council Tax bands A-D.
- Applications from owner-occupiers of band E properties may be considered where there is a health and safety risk in a vulnerable household, and alternative funding sources are not available. Households in band E will be defined as vulnerable if the applicant is receiving income related benefit, and has within the household:
  - an occupant aged 70 or over, or
  - an occupant who is registered disabled, or
  - at least one vulnerable age group for a Category 1 hazard (under the HHSRS).

### **4.2 Registration of a legal charge**

#### **Grants**

- The grant will be registered on the Local Land Charges Register.
- The charge will be removed 3 years from the certified grant date, or in the event of early repayment of the grant.
- If the grant conditions have been breached within the grant period, the charge will remain on the property until the grant has been repaid.

#### **Loans**

- The applicants will sign a formal Legal Charge which will be secured on the property by registering a Legal Charge at the Land Registry, except in cases where the property is unregistered and there is already a mortgage in existence. In these cases the Council gives notice to the first mortgagee and register a Puisne Mortgage CI entry in the Land Charges Register.
- The charge will be removed following full repayment of the loan and interest accrued.

### **4.3 Ownership and occupation requirements**

Financial assistance is provided by the Council to assist people to provide better living conditions for the occupants identified in their application. For this reason the following conditions apply:

#### **4.3.1 Grant recipients**

- Owner occupiers receiving a grant must continue to occupy the property as their only and principal home for 3 years from the certified grant date.
- The grant will be subject to repayment in full, if within 3 years of the certified



grant date, the property is sold or transferred to another party, rented out, the applicant dies, or ceases to occupy the property as their only or principal home.

- The applicant will be exempt from repayment of the grant if they move from the property to live in residential care or supported living accommodation.
- If the applicant dies, the continued occupation of a member of their family will count as continuous occupation, provided that the property was their only and principal home prior to the death of the applicant.

#### 4.3.2 Loan recipients

- Owner occupiers receiving a loan must continue to occupy the property as their only and principal home until the end of the loan term, or when the loan capital and interest accrued have been repaid in full.
- The loan will be subject to repayment if the property is sold or transferred to another party, rented out, the applicant dies, or ceases to occupy the property as their only or principal home.
- Should the applicant move from the property to live in residential care or supported living accommodation the requirement to make loan repayments will be deferred to allow the property to be sold. This will be subject to the property being sold within 6 months from the date that they moved from the property, and full repayment of the outstanding balance. If the property is not sold within 6 months, the Council will look to recover the full amount due.
- If one party to a loan in joint names dies leaving a spouse or partner in occupation, the remaining partner will continue as responsible for the loan.
- If the loan is in one name only and that person dies leaving a spouse or partner in occupation, the Council will consider transferring the loan to the remaining spouse/partner, subject to their individual circumstances, and the transfer of the property into their sole name.

#### 4.3.3 Landlord loans

- Landlords receiving a loan must continue to make the property available for letting.
- The loan will be subject to repayment in full if the property is kept empty, sold or transferred to another owner.

## 5 GENERAL LOAN CONDITIONS

These conditions apply to loans for both owner occupiers and landlords, and include discretionary Disabled Facilities Assistance.

### 5.1 Equity requirement

- There must be at least 20% equity remaining in the property.
- Equity remaining will be calculated by subtracting the value of all legal charges on the property, including the proposed loan under this policy, from the assessed current market value of the property (or similar properties within the immediate vicinity).
- If the applicant has the facility to acquire further funding as stipulated within their current mortgage conditions, they must declare this in their application, and provide details of the agreement.
- The applicant must agree not to further charge or remortgage the property.

## 5.2 Interest

- Simple Interest will be charged at the standard local authority rate<sup>4</sup> as determined by the Chancellor of the Exchequer. This may be changed if the applicant defaults on the loan agreement, as detailed in section 5.4 of this document.
- The interest to be paid over the duration of the loan will be set at the beginning of the loan period<sup>5</sup>.

## 5.3 Repayment terms

- Instalments must be made by Direct Debit to be set up as soon as payment becomes due.
- Instalments will be calculated to ensure that the loan capital and interest will be paid in full by the end of the loan period.

## 5.4 Default

- If the applicant defaults on the conditions of the agreement, action will be taken to recover all of the monies owed.
- Any action will take into account the circumstances of the applicant. Every effort will be made to agree an arrangement that meets the Council's requirements without causing undue hardship to the applicant.
- The Council reserves the right to charge compound interest in cases of non-compliance with the loan agreement, from the date the Council considers the non-compliance date.

## 5.5 Redemption

Loans can be voluntarily discharged at any time, by the applicant repaying the capital and interest due to the Council. Early repayment will not attract redemption penalties.

## 5.6 Insurance and maintenance and of the property

- The applicant is required to keep the property insured for the duration of the loan.
- The applicant is required to continue to maintain and repair the property for the duration of the loan.

---

<sup>4</sup>As in the Housing 1985, Schedule 16. [www.legislation.gov.uk/ukpga/1985/68/schedule/16](http://www.legislation.gov.uk/ukpga/1985/68/schedule/16)

<sup>5</sup> The loan period commences on the date the application is approved by the Council. The applicant will be give written confirmation of this date.