

## **PORTSMOUTH CITY COUNCIL**

### **PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE POLICY 2012**

This document sets out the policy for financial assistance available from 2012, and includes:

- Assistance available
- Eligibility requirements for the assistance
- Terms and Conditions for 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
- Category One Hazard Grant - Discretionary
- Home Repair Grant - Discretionary
- Vulnerable Person Grant - Discretionary
- Home Improvement Loan - Discretionary
- Empty Property Loan - Discretionary
- Property Downsizing Loan - Discretionary
- Property Marketing 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 LIVE 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 Grants construction Regulations 1996 (as amended) 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 or main residence 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

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<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.

property by way of registering a Legal Charge at the Land Registry. More detailed information is provided in section 4.2 of this document.

- 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 (DISCRETIONARY)**

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 CATEGORY ONE HAZARD GRANT (DISCRETIONARY)**

A grant of up to £2,500 to remedy one Category one hazard found within the curtilage of the property, that would affect the health & 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 remedying *one* significant Category one Hazard under the Housing Health and Safety Rating System, from the following list of category one hazards only.

- Damp & Mould
- Excess cold
- Entry by intruders
- Falls associated with baths etc
- Falls on the level
- Falls associated with stairs & steps
- Falls between levels
- Electrical Hazards

The Grant will also be used to carry out sustainability measures in relation to the works carried out at the property, where no external funding is available to enable these works to be undertaken. For example, the installation of a water butt when carrying out remedial works to a roof or guttering.

For the 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 55 or below, and
- agree to undertake insulation work specified by the Council such as loft and/or cavity wall insulation, or internal or external wall insulation, which will not be funded through this policy.
- Not have access to external funding to enable these works to be undertaken.

#### **2.1.2 Eligibility**

Available to any owner-occupied household where only one category one hazard from the list above has been identified. The property must have been owned and occupied by the applicant for at least the last 5 years, and the applicant must not have received a previous grant or loan assistance package from Portsmouth City Council (excluding Disabled Facilities Grant assistance). This grant is not available in conjunction with any other discretionary assistance package. See

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<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.

general conditions for grant assistance, as detailed in section 5 of this policy document.

## 2.2 **HOME REPAIR GRANT (DISCRETIONARY)**

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

### 2.2.1 **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 any items required to remove Category 1 hazards and significant category 2 hazards only under the Housing Health and Safety rating system. The grant will also be used to provide sustainability measures as specified by the council, where no external funding is available to enable these works to be undertaken.

For the 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>3</sup> rating of 55 or below, and
- agree to undertake insulation work specified by the Council such as loft and/or cavity wall insulation, or internal or external wall insulation, which will not be funded through this policy.
- Not have access to external funding to enable these works to be undertaken.

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

### 2.2.2 **Eligibility**

Applications will be considered from homeowners who satisfy the general eligibility conditions detailed in section 5 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 in receipt of income based qualifying benefit, such as:

- Housing Benefit
- Council Tax Benefit
- Income Support
- Income-based Job Seekers Allowance
- Working Tax Credit which includes a disability element where the entitled person has a relevant annual income of less than £15,050
- Child Tax Credit where the entitled person has a relevant annual income of less than £15,050
- Guaranteed Pension Credit

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<sup>3</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.

- Either Disabled Living Allowance or Attendance or War Disablement or Industrial Injuries Benefit, or suffer from severe mental health problems that make work impossible and their contribution using the Disabled Facilities Grant means test would be zero.

Or on a low income but not in receipt of benefits, i.e. less than £2,000 contribution after means testing.

### 2.2.3 Terms and conditions

Grants of £4,000 or less are repayable if the property is sold or transferred, or the occupiers vacate within 3 years of completion of the works and will be secured as a charge on the property. The applicant may choose to fund works in excess of £4,000 themselves or take on a loan.

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

## 2.3 VULNERABLE PERSONS GRANT (DISCRETIONARY)

Available to those in receipt of an income based benefit, where applicants are also:

- in receipt of a disability benefit, *or*
- are aged 60 or over, *or*
- have children aged *under* 15 years, *or*
- suffer from severe mental health problems that make work impossible and their contribution using the Disabled Facilities Grant means test would be zero.

Maximum grant of £10,000

### 2.3.1 Scope of works

Any items of work required to rectify a significant hazard under the HHSRS. The grant will also be used to provide sustainability measures as specified by the council, where no external funding is available to enable these works to be undertaken.

For the 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>4</sup> rating of 55 or below, and
- agree to undertake insulation work specified by the Council such as loft and/or cavity wall insulation, or internal or external wall insulation, which will not be funded through this policy.
- Not have access to external funding to enable these works to be undertaken.

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<sup>4</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.

### 2.3.2 Terms and conditions

Grants in excess of £4,000 are repayable if the property is sold or transferred or the occupiers vacate within 15 years of completion of the works, and will be secured as a charge on the property. Such assistance is only available to occupiers with leasehold or freehold interests in the home where there is sufficient equity in the property.

Successive applications are permitted subject to the maximum grant not being exceeded in any 5 year period.

If successive applications are made and the sum of the application in any 5 years exceeds £4,000 then assistance will only be provided with a legal charge for the combined full amount, unless the applicant chooses to fund the excess over £4,000 themselves.

This grant is not available in conjunction with any other discretionary assistance package. See general conditions for grant assistance, as detailed in section 5 of this policy document.

## 2.4 **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.

### 2.4.1 Scope of works

Any items of work required to remedy significant hazards under the Housing Health and Safety Rating System within the Housing Act 2004.

Loan assistance will also be used for the installation of sustainability measures as the council specify, which could include:

- Installing water butts
- Installing low-flow taps to kitchens and bathrooms
- Lagging of hot water pipes
- De-Paving of gardens, forecourts, driveways

### 2.4.2 Terms and conditions

The general conditions for loans will apply to these loans, as detailed in section 5 and 6 of this policy document.

### 2.4.3 Types of loans available to owner occupiers

Loan Assistance can be used to top up a Home Repairs Grant; where the applicant is eligible for this assistance. Loan assistance cannot however be used to top up any other type of grant assistance.

### **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**

- Duration of loan – set per cost of loan up to a period of 15 years.
- Interest only paid for the duration of loan from the certified date.
- Full capital to be repaid at the end of the loan period, or upon the sale of the property, whichever comes first. The local authority will consider conversion to another form of repayment loan at the end of the loan period, subject to individual circumstances.
- Available to those in receipt of a passporting benefit.

### **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 a pass porting benefit, and have within the household:
- an occupant aged 65 or over, or
  - at least one vulnerable age group for a Category 1 hazard (under the HHSRS) identified within the property.

### **Interest Free repayment Loan**

- Duration of loan – 10 years
- Interest free period – 10 years
- This loan is available to applicants who have a means test contribution of £2,000 Or below.
- The loan must be paid by instalments to enable full repayment of the capital within the loan period.

## **3 HELP TO REPAIR AND IMPROVE EMPTY PROPERTIES AND HOUSING THAT IS STAGNANT ON THE MARKET**

### **3.1 EMPTY PROPERTY LOANS (DISCRETIONARY)**

Loans are available to anyone who owns a residential property which has been empty for twelve months or longer. The loan is available for a maximum of £35,000 to pay for essential renovation and repair works, so that the homes can



be lived in by their owners or rented on the open market or through an affordable housing rent scheme.

### 3.1.1 **Scope of works**

Works to bring the property back into use and ensure that no significant hazards under the Housing Health and Safety Rating System (within the 2004 Housing Act) remain within the property.

Loan assistance will also be used for the installation of sustainable energy measures as specified by the council, which for example could include:

- Installing water butts
- Installing low-flow taps to kitchens and bathrooms
- Lagging of hot water pipes
- De-Paving of gardens, forecourts, driveways

### 3.1.2 **Terms and conditions:**

The loan must be repaid by instalments to enable full repayment of the capital and interest within the loan period. Full repayment of the loan plus any interest due must be repaid upon the sale or transfer of the property. Interest will be calculated from the certified date.

Where the property is to be occupied by the owner or their family, or to be rented on the open market

- Duration of loan - up to 7 years subject to circumstances and amount of loan
- Interest free period - first 2 years.

Where the property is to be rented through an affordable housing rent scheme (Approximately 80% of full market rent or less)

- Duration of loan - up to 14 years subject to circumstances and amount of loan
- Interest free period - first 2 years.

- The offer of a loan will be subject to sufficient equity being available in the property.
- Applicants receiving an empty property loan must make the property available for letting on the open market, or through an affordable housing rent scheme, or they must occupy the property as their own principle home.
- The loan will be subject to repayment in full if the property is kept empty, sold or transferred to another owner.
- This loan is not available in conjunction with any other discretionary assistance package. See general conditions for loan assistance.
- This assistance is not available where legal action has had to have been taken by PCC against the property owner.
- The general conditions for loans will apply to these loans, as detailed in section 5 and 6 of this policy document.

### 3.2 **PROPERTY MARKETING LOANS (DISCRETIONARY)**

Loans are available to anyone who owns a residential property, which has been on the open market to be sold for a period of 6 months or more. The loan is available for a maximum of £5,000 to pay for essential renovation and repair works, to improve the desirability of the property to potential buyers.

#### 3.2.1 **Scope of works**

Works to renovate or remedy disrepair to the property, specifically for making the house more marketable to be sold.

This could include:

- Decoration to the interior or exterior of the property
- Clearing or overhauling of the garden or forecourt
- General repairs which could include gutters, rendering, windows, doors, roof repairs
- Treatment of rising or penetrating damp
- Sustainability Measures \*\*

\*\* Where no external funding is available

#### 3.2.2 **Terms and conditions:**

Duration of loan – up to 2 years subject to circumstances and amount of loan. The loan must be repaid in full, including interest on the sale or transfer of the property, or on the 2 year anniversary of the loan; whichever comes first.

- The offer of a loan will be subject to sufficient equity being available in the property.
- Simple interest will be charged from the certified date.

### 4 **DOWN-SIZING PROPERTY LOAN (DISCRETIONARY)**

Loans of up to £3,000 are available to meet the immediate costs of moving to a smaller property, or one that is more suitable for the applicants changing needs. The Loan can be used to cover typical moving costs such as solicitors fees, structural survey fees, removals services, etc.

#### 4.1 **Eligibility conditions**

- Applicants must be aged 65 or over.
- The applicant must intend to sell their existing property and buy a property of lower value.
- The property must be on the open market to be sold in order to receive loan assistance.
- The applicant must demonstrate that the proposed property they wish to

purchase is more suitable for their needs than their existing property. This may be because of the proposed properties size, location, amenities etc.

- The loan is to be registered with land registry against the clients existing property and must be repaid in full including interest owed, upon the sale of the property.

#### 4.2 **Terms:**

Duration of loan – The loan must be repaid in full, including interest, on the sale or transfer of the property, or on the 2 year anniversary of the loan; whichever comes first.

- The offer of a loan will be subject to sufficient equity being available in the property.
- Simple interest will be charged from the date of approval of the loan.

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

These conditions apply to all discretionary grants and loans, excluding Disabled Facilities Assistance, Disabled Persons Equipment Replacement Assistance, and Palliative Care Assistance.

#### 5.1 **Eligibility conditions**

- Applications for assistance must be made prior to the commencement of work.
- The property must be at least 10 years old.
- The property must not be on the market to be sold. (Excluding property marketing Loan)
- 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).

#### 5.2 **Registration of a legal charge**

##### 5.2.1 **Grants**

- The grant will be registered:
  - on the Local Land Charges Register for grants of £4,000 or less. The charge will be removed 3 years from the certified grant date or in the event of early repayment of the grant.
  - With a Legal Charge at the Land Registry for grants of over £4,000. The charge will be removed 15 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 in full, along with interest. Compound interest will be charged from the date that the breach occurred, at a rate of 4% above the Bank of England base rate.

### 5.2.2 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.

### 5.3 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:

### 5.4 Grant recipients

- Owner occupiers receiving a grant must continue to occupy the property as their only or principal home for:
  - 3 years from the certified grant date for Grants of £4,000 or less.
  - 15 years from the certified grant date for Grants of more than £4,000.

This is known as the grant condition period.

- The grant will be subject to repayment in full if, within the grant condition period, 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<sup>5</sup> will count as continuous occupation.

### 5.5 Loan recipients

- Owner occupiers receiving a loan must continue to occupy the property as their only or 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

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<sup>5</sup> Defined by the Housing Act 1985 Section 113 (as amended).

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.

## 6 **GENERAL LOAN CONDITIONS**

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

### 6.1 **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.

### 6.2 **Interest**

- Simple Interest will be charged at the standard local authority rate<sup>6</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 6.4 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>7</sup>.

### 6.3 **Repayment terms**

- Instalments must be made by Direct Debit to be set up as soon as payment

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<sup>6</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>7</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.

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.

#### **6.4 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.

#### **6.6 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.

#### **6.7 Insurance and maintenance 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.