
NOTICE OF MEETING

CABINET MEMBER FOR HOUSING

TUESDAY, 23 SEPTEMBER 2014 AT 5.30 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Joanne Wildsmith Tel: 9283 4057

Email: joanne.wildsmith@portsmouthcc.gov.uk

CABINET MEMBER FOR HOUSING

Councillor Steve Wemyss (Conservative)

Group Spokespersons

Councillor David Fuller, Liberal Democrat

Councillor David Horne, Labour

Councillor Stuart Potter, UK Independence Party

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

Deputations by members of the public may be made on any item where a decision is going to be taken. The request should be made in writing to the contact officer (above) by 12 noon of the working day before the meeting, and must include the purpose of the deputation (for example, for or against the recommendations). Email requests are accepted.

AGENDA

- 1 Apologies for Absence

- 2 Declaration of Interests

3 Grosvenor House and Warwick Crescent Refurbishment (Pages 1 - 8)

The attached report by the Head of Housing and Property Services seeks permission to go out to tender and appoint a contractor to undertake planned maintenance works to 1-54 Grosvenor House, 2-20 (Evens) Warwick Crescent and 22-44 (Evens) Warwick Crescent.

The report also seeks permission to spend £3.1M to undertake works including external and communal decorations, re-roofing, new passenger lifts and lift shaft. The works are required to ensure the integrity of the buildings, reduce their on-going maintenance and improve the living environment for residents.

If approved, it is anticipated that the works could commence by April 2015.

RECOMMENDED that:

- (1) approval is given to tender the works based on an estimated budget of £3.1 million.**
- (2) following a full tender evaluation authority to enter into contract with the preferred bidder is delegated to the Head of Housing and Property Services.**

4 Review of the Licensing Programmes for Houses in Multiple Occupation in Portsmouth (Pages 9 - 16)

The purpose of attached report by the Head of Corporate Assets, Business and Standards is to formally review the current progress of both the mandatory and additional licensing schemes operating for Houses in Multiple Occupation (HMOs); to review the current licence fees for types of licence, including certain 's257' properties.

RECOMMENDED that the Cabinet Member for Housing;

approves the new fees for Additional and Mandatory Licensing including the change to the fee structure for a section 257 property which would require to be licensed under the Additional Licensing scheme.

5 Financial Assistance Policy for Private Sector Housing (Pages 17 - 34)

The purpose of the attached report by the Head of Corporate Assets, Business & Standards is to seek approval to amend the current Financial Assistance Policy for Private Sector Housing Renewal in Portsmouth to keep the policy in line with customer needs.

RECOMMENDED that the 2014 Financial Assistance Policy is agreed and implemented from 1st October 2014, as detailed in Appendix 1.

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

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Agenda Item 3



Portsmouth
CITY COUNCIL

Agenda item:

Title of meeting: Cabinet Member for Housing

Date of meeting: 23rd September 2014

Subject: GROSVENOR HOUSE & WARWICK CRESCENT
REFURBISHMENT

Report by: OWEN BUCKWELL – HEAD OF HOUSING & PROPERTY
SERVICES

Wards affected: St Thomas

Key decision: Yes – Over £250,000

Full Council decision: No

1. Purpose of report

- 1.1 To seek permission to go out to tender and appoint a contractor to undertake planned maintenance works to 1-54 Grosvenor House, 2-20 (Evens) Warwick Crescent and 22-44 (Evens) Warwick Crescent.
- 1.2 To seek permission to spend £3.1M to undertake works including external and communal decorations, re-roofing, new passenger lifts and lift shaft. The works are required to ensure the integrity of the buildings, reduce their on-going maintenance and improve the living environment for residents.
- 1.3 If approved, it is anticipated that the works could commence by April 2015.

2. Recommendations

- i. That approval is given to tender the works based on an estimated budget of £3.1M.
- ii That following a full tender evaluation authority to enter into contract with the preferred bidder is delegated to the Head of Housing and Property Services.

3. Background

- 3.1 All the properties in Grosvenor House and Warwick Crescent are located within the St Thomas ward. Grosvenor House was constructed in 1953 and both the Warwick Crescent blocks were constructed in 1967.

3.2 Grosvenor House contains 54no. properties whilst the two blocks in Warwick Crescent contain 10no. properties each. The properties are a mix of one, two and three bed flats and maisonettes.

3.3 There are no leaseholders present in any of the blocks within this scheme.

3.4 A key aspect of the scheme is the work planned at Grosvenor House. The block comprises two wings, one of 5 storeys and the other 7 storeys. Access to the upper floors is via a number of stairwells, two of which have lift shafts. Both of these are undersized and cause problems for residents living in the block, particularly families with pushchairs.

It is proposed to construct a new lift tower to provide two modern passenger lifts to the north of the east wing and also form a new communal entrance to the building at ground floor level.

3.5 Grosvenor House also suffers from a number of additional defects to the structure including corrosion of its steel frame to the blocks east wing.

It is proposed to undertake remedial structural repairs. These will include replacing sections of the steel frame to the east wing together with associated concrete repairs.

3.6 The roofs to all the blocks are in a poor condition and require new roof coverings and associated repairs.

It is proposed to replace the roof coverings with a new single ply including insulation to the roof. The rainwater will also be redirected to discharge externally and away from the private balconies.

3.7 The external and communal areas to all the blocks were last decorated in 2002; a number of areas are in a poor condition, where decorations are not flaking they are faded and require redecoration together with associated repairs.

It is proposed to redecorate all the external and communal areas and undertake associated repairs.

3.8 The blocks have various unsecured refuse areas that are not ideally located for collections; the ball court is a location for anti-social behaviour as well as not being extensively used since the Sedgely Close ball courts were constructed; the entrances to the blocks require reconfiguration and there is a demand for scooter storage.

It is proposed to relocate the refuse areas to more accessible locations, remove the ball court, reconfigure the main entrance and create scooter storage area. Options for cycle stores, additional sheds and car parking are also being explored.

- 3.9 A fire risk assessment has been undertaken and planned actions have been identified.

It is proposed to install emergency LED lighting to the escape routes of all the blocks.

- 3.10 The Grosvenor House site forms part of site 14 in the Area Action Plan (AAP) for Somerstown regeneration and the site is proposed as a park. The AAP is a document which is designed to allow the regeneration of an area over a long period of time, accordingly the demolition of this block and the creation of the park will not be removed from the AAP.

The consequence of the site being identified within the AAP is that there has been minimal investment in the blocks over a number of years whilst the regeneration plan has been developed and this has contributed to the extent of work now required.

- 3.11 A report to the cabinet member for Housing was approved in July 2012 to undertake the decorations and associated repairs as part of an initial phase of work with further phases planned to include the construction of a new passenger lift.

However further structural investigation delayed the commencement of phase one and it is now proposed to complete all the work required within one project.

4. Reasons for recommendations

- 4.1 The works will ensure the structural integrity of the building fabric, help protect against future deterioration and ensure the provision of good quality accommodation for families in the city whilst the remaining sites within the AAP are developed.

- 4.2 The scheme will improve the visual appearance of the blocks, thus improving the environment for residents to live in.

- 4.3 The installation of new lifts and reconfiguring the entrance will ensure residents can easily and safely access their properties.

- 4.4 The works should improve the living environment for residents and reduce current levels of repair expenditure.

5. Options considered and rejected

- 5.1 An option considered and rejected was to not construct new lift towers and to refurbish the existing lifts to Grosvenor House.

This option was rejected as the existing lift towers are not large enough to house bigger lift cabins or meet demand for residents accessing their properties.

- 5.2 An option considered and rejected was to phase the works over a longer period of time.

This option was rejected on the basis that the block is currently in a poor condition decoratively and structurally. A number of properties have already been decanted due to the structural works, it is essential that the works are completed as quickly as is reasonable practical to ensure that the block remains a lettable asset.

The works required now all impact on each other and it would not be cost effective to delay any aspect of the proposed work to a later phase.

- 5.3 An option considered and rejected was to demolish the blocks and provide alternative accommodation within the Somerstown area.

Demolition of these blocks at this time would not be financially viable for Housing & Property Services as it would lose 74no. properties that are predominantly three bedroom. These properties are the highest demand for housing options within the city, removing these assets from the Housing & Property Services portfolio of stock before the completion of alternative family properties within the area would adversely impact on the local community.

6. Duty to involve

- 6.1 Thorough consultation is ongoing with residents of the blocks in order to keep them informed of the proposed works, gather their opinion and identify any issues that they may have.

A PCC Resident Liaison Officer has consulted the majority of households on a one to one basis in order to build up a resident profile so that any elderly, disabled or vulnerable residents who may be affected by the works can be identified at an early stage and consideration given to as how to minimise disruption to them.

- 6.2 Fourteen properties in the east wing require decanting and rehousing in order for the structural works to be undertaken. This process has commenced and currently nine of the properties are void.

Residents are consulted prior to any move and their preferences are taken into consideration, 80% of those that have vacated their properties have opted to remain in the Somerstown area. All residents decanted have the option to return to the block on completion of the work; however half of those that have moved have decided to make the move permanent and will not be returning to Grosvenor House.

- 6.3 An initial open day was held on 11th June 2014 for all residents in Grosvenor House and Warwick Crescent in order to show them designs for the blocks. 45% of residents attended of which 80% were in favour of the current proposals. Of

those not in favour, 12% were because the location of the lifts would not suit the location of their particular property.

Following the open day resident comments have been reviewed and where feasible will be incorporated into the final scheme. Aspects of the scheme being further developed as a result of the consultation include refuse disposal options, removal of fencing between blocks and removal of the ball court with an option to re-use the area as car parking.

- 6.4 Further consultation and open days will be undertaken at various stages including before the designs are finalised, when a contractor is appointed and at various stages during the construction of works on site.
- 6.5 A Planning Application will be required to be submitted at which point all residents will be notified and have the opportunity to comment on the proposals.
- 6.6 All residents will be informed of the works prior to commencement via letter and in-person visits, they will have the opportunity to discuss any issues with PCC staff at this time.
- 6.7 Neighbouring properties will also be informed of the works prior to commencement so that they are aware of any disruption that may occur.
- 6.8 PCC staff will remain in contact with residents during the works onsite to address any issues that may arise and following completion of the work customer satisfaction surveys will be undertaken by a PCC Resident Liaison Officer in order to gain feedback as to how the service could be improved.

7. Implications

- 7.1 It is considered that the works will have a positive impact by helping to maintain the properties, whilst also improving the visual appearance of the blocks and the surrounding area.
- 7.2 The works will have positive implications by ensuring that PCC maintains good quality housing that is easily lettable.
- 7.3 There are no leaseholders within any of the blocks so there are no implications regarding the cost of the project or charges to leaseholders.
- 7.4 There is potential for negative implication due to the disruption to residents during the works. Measures will be undertaken to manage this risk and keep resident disturbance to a minimum during the works.
- 7.5 The work is subject to the normal legal risk relating to building work, the financial and technical competence of the chosen contractor together with the disruption that the work will cause to the occupiers generally. These should all be subject to existing risk control assessment and mechanisms for such work and as such minimised before work commences.

8. Corporate Priorities

- 8.1 The report and the planned maintenance works will contribute to the following corporate priorities.
- 8.2 Shaping the future of Portsmouth, a strategy for growth and prosperity, action no. 16, to improve the housing stock, including carbon emissions.
- 8.3 Shaping the future of housing, a strategic plan for Portsmouth for better housing and better health. The maintenance of Portsmouth's stock of residential properties is a priority as detailed in theme 5.

9. Equality impact assessment (EIA)

- 9.1 An EIA is not needed for this project. The project will not affect any equality group unequally and this no adverse impact on people who belong to any of the equality groups. Residents who live in the blocks affected by the project will be consulted on the work and specific needs will be address so that tenants with protected characteristics can be fully involved in the consultation. The project is expected to have positive outcomes for all current and future tenants.

10. City Solicitor's comments

- 10.1 The legal risks referred to at paragraph 7.5 above will be addressed through a detailed procurement process in compliance with the Council's Contracts Procedure Rules and managed under the terms of the resulting construction works contract.
- 10.2 Under Part 2, Section 3 of the City Council's Constitution (responsibilities of the Cabinet) and further in accordance with the Scheme of Delegations at Appendix A to the Executive Procedure Rules in Part 3 of the Constitution, the Cabinet Member for Housing has the authority to approve the recommendations set out in this report.

11. Head of Finance's comments

- 11.1 This capital scheme aims to undertake essential maintenance works including external and communal decorations, re-roofing, new passenger lifts and lift shaft. The works are required to ensure the integrity of the buildings, reduce their on-going maintenance, improve the quality of the living environment for residents and ensure that the dwellings remain letable in the future.
- 11.2 The scheme forms part of line 11 of the Housing Investment Programme (Major Repairs - Dwellings) which is included within the Housing Council's overall Capital Programme 2013/14 to 2018/19 which was approved by Full Council on 12th November 2013, and funded by Housing Revenue Account contributions.

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Signed by:
Owen Buckwell – Head of Housing and Property Services

Appendices:

NIL

Background list of documents: Section 100D of the Local Government Act 1972

NIL

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by the Cabinet Member for Housing on 23rd September 2014

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Signed by:
Councillor Steve Weymss

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Agenda Item 4

Agenda item:

Title of meeting:	Cabinet Member for Housing Decision meeting
Date of meeting:	23 rd September 2014
Subject:	Review of the Licensing Programmes for Houses in Multiple Occupation in Portsmouth.
Report by:	Alan Cufley Head of Corporate Assets, Business and Standards
Wards affected:	St. Jude, Central Southsea, Eastney and Craneswater, Milton, Fratton, Baffins and St.Thomas.
Key decision:	Yes
Full Council decision:	No

1 Purpose of report

- 1.1 To formally review the current progress of both the mandatory and additional licensing schemes operating for Houses in Multiple Occupation (HMOs); to review the current licence fees for types of licence, including certain 's257' properties.

2. Recommendations

That the Cabinet Member for Housing;

- 2.1 **approves the new fees for Additional and Mandatory Licensing including the change to the fee structure for a section 257 property which would require to be licensed under the Additional Licensing scheme.**

3. Background

- 3.1 An Additional Licensing (AL) scheme was introduced by the city council into three post code areas, PO1, PO4 and PO5 from the 27th August 2013, following a comprehensive consultation with relevant parties.
- 3.2 The legal responsibility is on the landlord or person in control to make an application for a licence. The city council has however been very active in contacting as many landlords as possible to ensure they are aware of this responsibility.

4. Overview of Additional Licensing in the first year.

- 4.1 Although less than the 2,500 predicted, there have been 2,065 applications made by landlords of HMO properties, subject to the AL scheme, within the last year. Despite the scheme being introduced in August, a large number of landlords waited until the final weeks of February in which to submit applications which has meant that applications have not been processed as quickly as had initially been expected.

- 4.2 Of the 2,065, there are just over 600 applications still waiting to be reviewed and, on average, about 12 new applications per month are being received.
- 4.3 As there are no accurate records of property that falls under Section 257 of the Housing Act 2004, an estimate of 600 applications from these buildings was planned. However, there have only been 87 section 257 applications submitted, and of these 50 remain to be processed.
- 4.4 Whilst the overall number of applications received is lower than the predicted number, there are around a further 1600 properties where the owners are being contacted to see if they are required to obtain a licence.
- 4.5 From the applications submitted the following information is available:
- Total numbers of permitted persons currently living in Additional Licenced HMO properties is 8,365, which represents 8,309 households.
 - There are currently 1705 licensed landlords or companies, of which 26% have a single licence only. 55% of the landlords live in Hampshire and the largest single landlord has been licenced for 211 properties.
 - Through the implementation of licencing, the number of amenities in 136 properties has been increased to a level that is acceptable for the number of occupants and improvements made to the fire safety in 638 properties.

5 **Recommended changes to the Additional Licensing scheme for 's257 property'.**

- 5.2 A number of landlords have expressed concern over the fee charged for smaller section 257 properties, which may only consist of two self-contained flats, with no common area.
- 5.3 To take into account these concerns a revised fee has been calculated representing the lack of a common area. The change is shown in Appendix 1 to this report

6. **Legal and Best Practice Changes to Licensing.**

- 6.1 Over the last 12 months, there have been a number of cases through the courts or First-tier Tribunal Service (RPT) that have affected the licensing schemes currently running.
- 6.2 Variation of licence fees:

Crompton v Oxford City Council: *The power to charge fees in respect of HMO licensing is found in s63 of the Housing Act 2004. Importantly, this power is granted in respect of licence applications only. Oxford City Council had sought to charge a fee for the variation of an HMO licence. The Residential Property Tribunal (RPT) ruled that the fee was unlawful and that it could not be charged.*

- 6.3 Section 63 Housing Act 2004 permits a local authority to charge a fee when an application for a licence is made whether that is for a Mandatory, Additional or Selective Licence.

- 6.4 When fixing fees under this section, the local housing authority may take into account
- (a) all costs incurred by the authority in carrying out their functions under this legislation
 - (b) all costs incurred by them in carrying out their functions under Chapter 1 of Part 4 in relation to HMO's.

6.5 From a review of the licencing information held, it is possible to confirm that no landlord has been charged for variation of a licence.

6.6 However the RPT decision was unclear if other additional charges could be levied within the concept of Section 63. Therefore, in order to ensure that all costs of the licensing programme are covered within the fee charged, these additional costs must be calculated and reflected in the initial charge. This means that as a consequence of this ruling, the cost of a licence must increase.

6.7 Determination of a HMO:

***Bristol City Council v Digs (Bristol) Ltd:** The defendant was the private landlord of a maisonette in multiple occupation. The council brought a prosecution for failure to obtain an HMO licence and for breaches of the HMO regulations. A District Judge at Bristol Magistrates Court tried the preliminary issue of whether the maisonette was a licensable HMO. It extended over two storeys of a building with a further entrance corridor and hallway on a lower storey.*

The council included the lower storey in deciding that the HMO extended to three storeys. The Judge held that having regard to Article 3 of the HMO (Prescribed Description) (England) (Order) the maisonette was not an HMO. The council had been wrong to include the lower storey. In the light of that ruling, the council offered no evidence and the defendant was acquitted.

6.9 As a consequence of this decision, all the licences issued in Portsmouth under this provision have been reviewed to ensure that there are none that meet this criteria. All mandatory licensed properties have been considered and currently none have been found that meet the court ruling requiring the licence to be revoked.

7. Enforcement of the Additional Licensing Scheme.

7.1 Regrettably a large number of landlords have either, still not applied for the Additional Licence, or submitted all the information required by the scheme. The AL team are being as proactive as possible but there is a limit to how much the Council can or should do to make the landlord / agent comply with the Regulations.

7.2 The legislation provides a remedy for such a situation and involves the service of an Interim Management Order (IMO).

7.3 Consequently, it is anticipated that a number of IMOs will need to be issued over the coming months where there is no prospect of a licence being issued in the future or that certain health and safety conditions are unsatisfactory.

8 Future Charges for Licensing.

- 8.1 As described in paragraph 6.6 above, the revised HMO licensing fees must be set at a level that will cover all the costs of providing the scheme, based on estimated officer time and associated costs involved in processing the applications, inspections, monitoring and enforcement as well as all appropriate overheads.
- 8.2 The scheme must end on the 27th August 2018, unless a further consultation is undertaken as the main aims and objectives have not been achieved throughout the 5 years of the scheme.
- 8.3 Therefore, all licences issued from the 27th August 2014, will only be for a period of 4 years and the revised fee structure reflects this position.
- 8.4 The proposed fees set for a Mandatory or an Additional Licence are shown below and in Appendix 1:

Property Type	Per application.	Per application for properties operating on the designation date#
All HMOs	£550	£700
Section 257 properties	£570	£640
Section 257 – no common area	£120	N/A

for properties which were operating as a HMO on the designation date, but the landlord failed to apply for a licence.

- 8.5 The fee can be paid either as a one off payment or, if the licence holder makes applications for more than 10 properties, as a monthly direct debit over a 4 year period. It can also be paid by equal instalments where the licence will be fully paid over 12 months.
- 8.6 As a degree of administration has already been undertaken or would not be duplicated, any applicant who makes a second application for another HMO whether submitted at the same time or within the first 6 months from the date of the licence will be charged a reduced rate of £490.
- 8.7 Similarly any applicant who makes a second application for another section 257 property whether submitted at the same time or within the first 6 months from the date of the licence will be charged a reduced rate of £400.
- 8.8 The new charging structure will continue the discount given to Landlords and Agents who are members of the city Council's Landlord Accreditation Scheme (LAS)

9 Equality Impact Assessment (EIA)

9.1 A preliminary EIA was undertaken prior to the full consultation process. The information sourced from the respondents has not indicated that a full EIA is required.

10 City Solicitor's comments

10.1 The cost setting in the report is consistent with the legal authorities that have been referred to within the report and that in addition all relevant costs are included within the fee.

11 Head of Finance comments

11.1 This review is in line with the previous recommendation to review fees on an annual basis (Cabinet Report, 10th April 2013 in Introduction of a Comprehensive Licensing Programme for HMOs in Portsmouth, paragraph 12.1). The proposed fees set out within Appendix 1 are anticipated to cover the costs of running the Mandatory and Additional Licensing Schemes. The schemes will therefore be delivered within existing cash limits.

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Signed by:
Alan Cufley Head of Corporate Assets, Business & Standards

Appendices:

Appendix 1 - Full list of the licence fee charges.

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
None	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:
Councillor Steve Wemyss
Cabinet Member for Housing

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Appendix 1.

Application for an Additional Licence	Per application	Operating as an HMO on the designation date
All HMOs	£550	£700
Second application	£490	£640
Current licence holder - with 6 months from date of licence	£490	
Section 257 Properties	£570	£600
Second application with same licence holder	£400	£500
No Common area	£120	N/A

NEW application for a Mandatory Licence:		
Basic property of 3 storeys with 5 occupants:	Non LAS* Member	LAS* Member
Single Application	£711	£650
Multiple Application	£643	£580
Property of 3 storeys or more with 6 to 10 occupants:		
Single Application	£840	£780
Multiple Application	£747	£572
Property of 3 storeys or more with 11 to 15 occupants:		
Single Application	£990	£930
Multiple Application	£880	£820
Property of 3 storeys or more with 16 to 20 occupants:		
Single Application	£1160	£1098
Multiple Application	£1030	£975
Property of 3 storeys or more with 20 plus occupants:		
Single Application	£1315	£1256
Multiple Application	£1174	£1110
Renewal Application for a Mandatory licence		
Basic property of 3 storeys with 5 occupants:	Non LAS* Member	LAS* Member
Single Application	£670	£610
Multiple Application	£580	£528
Property of 3 storeys or more with 6 to 10 occupants:		
Single Application	£800	£740
Multiple Application	£715	£655
Property of 3 storeys or more with 11 to 15 occupants:		
Single Application	£950	£888
Multiple Application	£860	£800
Property of 3 storeys or more with 16 to 20 occupants:		
Single Application	£1110	£1056
Multiple Application	£1032	£970
Property of 3 storeys or more with 20 plus occupants:		
Single Application	£1272	£1210
Multiple Application	£1092	£1030

Agenda Item 5

Agenda item:

Title of meeting: Cabinet Member for Housing
Date of meeting: 23rd September 2014
Subject: Financial Assistance Policy for Private Sector Housing
Report by: Alan Cufley Head of Corporate Assets, Business & Standards
Wards affected: All Wards
Key decision: Yes
Full Council decision: No

1 Purpose of report

- 1.1 To seek approval to amend the current Financial Assistance Policy for Private Sector Housing Renewal in Portsmouth to keep the policy in line with customer needs.

2 Recommendations

- 2.1 **That the 2014 Financial Assistance Policy is agreed and implemented from 1st October 2014, as detailed in Appendix 1.**

3 Background

- 3.1 The City Council adopted the current Financial Assistance Policy (FAP) in July 2013 in response to a change in the funding available to support the various packages. Whilst continuing to maintain the long established and well regarded programme of providing assistance to all residents, the policy was amended to offer more low cost loans alongside the ability to provide much needed financial assistance in the form of grant aid to our most vulnerable residents.
- 3.2 The loans provided are based on a fixed term repayment basis calculated through a full financial assessment of the resident's ability to repay.
- 3.3 Although capital funding available for housing renewal and improvement has necessarily reduced in the last few years, the Council still has mandatory duties for housing adaptation and improvement under the following legislation:
 - Housing Grants, Construction and Regeneration Act 1996 – mandatory provision of Disabled Facilities Grants
 - Housing Act 2004 – introduction of the Housing Health and Safety Rating system (HHSRS) and the duty to remove Category 1 hazards.
- 3.4 In addition to the legislative requirements placed on the Council, the adaptation, repair, and improvement of the city's housing stock makes a significant contribution to achieving the Council's vision and strategic objectives, including those in the Capital Strategy, to regenerate the city and support our vulnerable residents.

4 Proposed Policy changes.

4.1 Over the last year, close monitoring of the loans and grants that have been introduced and provided to residents has been ongoing. This work has shown that despite a considerable amount of effort being made to market these grants and loans, customers have not found some of the products within the FAP as attractive as was first envisaged. Similarly, some types of assistance have proved very popular or are currently missing from the offer.

Therefore the following changes to the Policy are proposed:

4.2 The following products are recommended to be removed from the FAP.

- Category One Hazard Grant.
- Landlord Assistance Loan.
- Property Downsizing Loan.
- Property Marketing Loan.

4.2 To increase the Home Repair Grant from £4,000 to £8,000. This will enable more families to undertake essential works to their own properties, which would affect the health, safety and welfare of anyone living within the home.

4.3 To increase the amount of means tested low income from £2,000 to £4,000, which again will allow working families, but who cannot claim a means tested benefit access grant funding to undertake essential repairs to their property.

4.4 To increase the amount for a Vulnerable Person Grant from £10,000 to £15,000. This will allow more vulnerable families undertake essential works to their own properties, which would affect the health, safety and welfare of anyone living within the home

4.5 To introduce a capital tenancy deposit loan to help people access good quality accommodation within the private rented market.

5 Reasons for Recommendations

Removal of some loans and grants from the current policy

5.1 Although our customers are accepting that the city council could not just provide grant funding. A number of products that we have made available to our customers had seen either a zero or very low take up and therefore, these products will no longer be made available.

Increase the amount of grant aid available to low income households.

5.2 The increase to the Home Repair Grant to £8,000 will enable more essential works to be undertaken to a property. There has been an overall increase in material costs and builder employee costs of around 14%. It has been shown that once other fees have been taken into account, the amount of money available to undertake the works has been insufficient to cover the cost of certain repairs such as making the property weather- tight or improving the electrical safety and heating.

- 5.3 Where families are just above the threshold of being in a position to obtain financial benefits, but are still on a low income we undertake a government approved means test calculation. If the calculation indicates a "contribution" of less than £4,000 they can be eligible for grant aid. The proposed increase takes into account the new means test criteria and reflects what the monitoring information captured during the last year shows, in that more families with a higher income are struggling to undertake essential one-off repairs to their properties.

Increase the amount of grant aid available to vulnerable persons.

- 5.4 The increase to the vulnerable person grant to £15,000 will enable more works to be undertaken to a property. The same increases in costs described in paragraph 5.3 above means that some vulnerable families are unable to access the necessary funds in order for all the necessary repair works to their property to be carried out.
- 5.5 A large number of young people are finding it increasingly difficult to save money for a deposit for a rented property, which could be up to 2 months rent. It is also hard for families to move to more suitable accommodation within the private rented market if they are having to find an additional 2 months' rent as deposit whilst waiting for the return of the current deposit. This personal loan should see greater movement within the private rented market and less reliance on social housing.

6 Home Improvement Agency

- 6.1 Customers of these home improvement products and services will continue to have the opportunity for their work to be managed by the city council's Home Improvement Agency. This service involves finding a suitable builder, help in obtaining planning and building control permission, monitoring the works and ensuring that the works are undertaken to a satisfactory standard for both the customer and the city council.
- 6.2 This service will available to the customer at a fixed rate of 10% of the overall cost of the building works.

7 Equality Impact Assessment (EIA)

- 7.1 An EIA has been undertaken in relation the financial policy and these changes do not impact on any of the equality groups.

8 City Solicitor's comments

- 8.1 There are no specific legal comments regarding the report and the Policy is sufficiently engaging as to not present a risk or challenge to the city council.

9 Head of Finance Comments

- 9.1 These schemes are funded through the Council's Capital Programme. The proposed changes detailed within this report will be contained within the current, approved capital programme for 2014/15, as the removal of some grants and loans will balance the increase in grant allowed, or introduction of the new loan scheme. For 2015/16

onwards, a proposed capital programme will be brought to Cabinet and Council later this year.

.....
Signed by:
Alan Cufley, Head of Corporate Assets, Business & Standards

Appendices:

Appendix 1 – Private Sector Housing Financial Assistance Policy 2014

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
None	

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:
Councillor Steve Wemyss,
Cabinet Member for Housing

PORTSMOUTH CITY COUNCIL

PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE POLICY 2014

This document sets out the policy for financial assistance available from October 2014, 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
- Home Repair Grant - Discretionary
- Vulnerable Person Grant - Discretionary
- Home Improvement Loans - Discretionary
- Empty Property Loan - Discretionary
- Loan to help people access the Private Rented Market.

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. Referrals from Private Occupational Therapists may be accepted subject to consultation with the City Councils Social Care Services. If a Private referral is accepted following consultation, the Occupational Therapists professional fees may be added to the grant total.

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 Date¹ 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 £15,000 for help to meet the cost of adaptations to a disabled person's home or to help meet the applicant's means tested contribution towards the mandatory Disabled Facilities Grant (1.1 above). All applications

¹ 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.

will require consultation with Social Services, which will usually be in the form of a referral from a City Council Social Care Occupational Therapist. Referrals from Private Occupational Therapists may be accepted subject to consultation with the City Councils Social Care Services. If a Private referral is accepted following consultation, the Occupational Therapists professional fees may be added to the grant total.

1.2.1 **Terms and conditions**

- The loan will be interest free for a period of 10 years and require full repayment of the capital at the end of the loan period. Loan recipients will be encouraged to set up a savings account with United Savings & Loans Hampshire Credit Union, to plan ahead for this repayment.
- 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.
- The general conditions for home improvement loans will apply to Disabled Facilities Assistance, as detailed in Section 4 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 HOME REPAIR GRANT (DISCRETIONARY)

A grant of up to £8,000 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 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:

- Have first been assessed for Green Deal/Eco Funding. Financial assistance will only be offered on production of evidence that Green Deal/Eco funding is not available for the applicant.
- be assessed to be in fuel poverty, or
- be living in a property with an EPC energy efficiency rating of E - G. Financial assistance will be provided on the basis that the Banding will be increased by at least one band, and must as a minimum achieve band D.
- Any low cost energy measures recommended in the EPC report must also be undertaken.
- 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.

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

2.1.2 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 4 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
- 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 £4,000 contribution after means testing.

2.1.3 Terms and conditions

Grants of £8,000 or less are repayable if the property is sold or transferred, or the occupiers vacate within 4 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 £8,000 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.

2.2 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 £15,000

2.2.1 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:

- Have first been assessed for Green Deal/Eco Funding. Financial assistance will only be offered on production of evidence that Green Deal/Eco funding is not available for the applicant.
- be assessed to be in fuel poverty, or
- be living in a property with an EPC energy efficiency rating of E - G. Financial assistance will be provided on the basis that the Banding will be increased by at least one band, and must as a minimum achieve band D.
- Any low cost energy measures recommended in the EPC report must also be undertaken.
- 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.

2.2.2 **Terms and conditions**

Grants in excess of £8,000 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 4 year period.

If successive applications are made and the sum of the application in any 5 years exceeds £8,000 then assistance will only be provided with a legal charge for the combined full amount, unless the applicant chooses to fund the excess over £8,000 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.

2.3 **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. Loan terms offered will be determined by the Local Authority based on an assessment of financial resources, and will be offered for a period of 5 years, 10 years, 15 years, 20 years or 25 years.

2.3.1 **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

For the replacement of means of heating or hot water, the applicant must:

- Have first been assessed for Green Deal/Eco Funding. Financial assistance will only be offered on production of evidence that Green Deal/Eco funding is not available for the applicant.
- be assessed to be in fuel poverty, or
- be living in a property with an EPC energy efficiency rating of E - G. Financial assistance will be provided on the basis that the Banding will be increased by at least one band, and must as a minimum achieve band D.
- Any low cost energy measures recommended in the EPC report must also be undertaken.
- 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.

2.3.2 Terms and conditions

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

2.3.3 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.

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 pass-porting benefit.

Vulnerable person's 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 £4,000 Or below.

- The loan must be paid by instalments to enable full repayment of the capital within the loan period.

3 HELP TO REPAIR, IMPROVE AND PROMOTE RENTAL 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

For the replacement of means of heating or hot water, the applicant must:

- Have first been assessed for Green Deal/Eco Funding. Financial assistance will only be offered on production of evidence that Green Deal/Eco funding is not available for the applicant.
- be assessed to be in fuel poverty, or
- be living in a property with an EPC energy efficiency rating of E - G. Financial assistance will be provided on the basis that the Banding will be increased by at least one band, and must as a minimum achieve band D.
- Any low cost energy measures recommended in the EPC report must also be undertaken.

- 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.

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 5 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 10 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 4 and 5 of this policy document.

3.2 **A LOAN TO HELP PEOPLE ACCESS GOOD QUALITY ACCOMODATION IN THE PRIVATE RENTED MARKET (DISCRETIONARY).**

An interest free personal loan up to a maximum of £1,200 to help people in the City to access accommodation in the private rented market by providing the capital required for the tenancy deposit.

3.2.1 Eligibility

Available to any person or family who is looking to move into a private rented property for the first time or move from one private rented property to another, which is more suitable to their needs.

This assistance is not available if one or more persons who will live in the

proposed property are considered to be a student.

Student is defined as:

Studying at a higher level education full time, enrolled in a course which is for at least 1 year and involve at least 21 hours per week.

If enrolled for a qualification up to A level and the applicant is under 20 the course must last at least 3 months and involve at least 12 hours study per week.

3.2.2 Terms and conditions:

- The monies will be paid directly to the landlord or agent following the receipt of an invoice.
- The tenant must provide the details of the tenancy deposit scheme to the city council as soon as possible after the 30 day legal deadline.
- Properties will be inspected by Private Sector Housing prior to payment of the loan to check that the property is free from Category 1 Hazards in accordance with HHSRS. An administration fee of £45 will charged for property inspections and a maximum of 3 properties will be inspected for this fee. No fee will be chargeable for properties found through the local authorities Landlord Accreditation Scheme.
- The loan must be repaid within 18 months.

4 **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.

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 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).

4.2 Registration of a legal charge

4.2.1 Grants

- The grant will be registered:
 - on the Local Land Charges Register for grants of £8,000 or less. The charge will be removed 4 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 £8,000. 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.

4.2.2 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.

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:

4.4 Grant recipients

- Owner occupiers receiving a grant must continue to occupy the property as their only or principal home for:
 - 4 years from the certified grant date for Grants of £8,000 or less.
 - 15 years from the certified grant date for Grants of more than £8,000.

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 family² will count as continuous occupation.

4.5 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 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.

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 rate³ as determined by the Chancellor of the Exchequer. This may be changed if the

² Defined by the Housing Act 1985 Section 113 (as amended).

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 period⁴.

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 (excluding interest only loan).

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.

5.6 Redemption

Loans can be voluntarily discharged at any time, by the applicant repaying the capital and interest due to the Council. Over payments must be made in instalments of £1000 or more, payments made below £1,000 will attract a £25 administration charge for recalculation of the outstanding capital and interest. Early repayment will not attract redemption penalties.

5.7 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.

³As in the Housing 1985, Schedule 16. www.legislation.gov.uk/ukpga/1985/68/schedule/16

⁴ The loan period commences on the date the application is approved by the Council. The applicant will be give written confirmation of this date.

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