

PORTSMOUTH CITY COUNCIL

PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE POLICY 2021

This document sets out the policy for financial assistance available from December 2021, 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

- Disabled Facilities Grant - Mandatory
- Disabled Facilities Grant Supplementary Financial Support - Discretionary
- Disabled Persons Equipment Replacement Assistance - Discretionary
- Palliative Care Assistance - Discretionary
- Home Energy assistance top up Grant - Discretionary
- Home Improvement Loans - Discretionary
- Empty Property 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 include:

- 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

Applications 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 Council Social Care Occupational Therapist. Referrals from Private Occupational Therapists may be accepted subject to consultation with the Council's 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 10 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 Levelling Up, Housing and Communities.

1.2 DISABLED FACILITIES GRANT SUPPLEMENTARY FINANCIAL SUPPORT (DISCRETIONARY)

The following discretionary supplementary financial support will be available for all Disabled Facilities Grant applications which meet the Disabled Facilities Grant eligibility criteria, subject to availability of funding:

- Disabled Facilities Grants will be topped up by a further £10,000 where the current £30,000 grant is insufficient to cover the cost of works and ancillary fees. Therefore the maximum grant award for Disabled Facilities Grants will be £40,000.
- There will be no means testing for Disabled Facilities Grant applications.
- Disabled Facilities Grants will be available for Shared Lives Carers and Special Guardianship orders.
- For grants in excess of £40,000 a Home Improvement Loan will be offered. For terms and conditions, please refer to section 2.3.

1.2.2 Eligibility

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

1.2.3 Terms and conditions

- The disabled occupant must continue to occupy the property as their only or main residence for 10 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

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.

repayment if the property is sold within 10 years of the Certified Grant Date² 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 Levelling Up, Housing and Communities.

1.3 **DISABLED PERSONS EQUIPMENT REPLACEMENT ASSISTANCE (DISCRETIONARY)**

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

Scope of works

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

- Repair or Replacement of stair lifts
- Repair or Replacement of disabled shower units

Eligibility

As for the mandatory Disabled Facilities Grant

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 the Council Social Care Occupational Therapist.
- Applications from or supported by hospices to enable people to return home for care.

² 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.

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 ENERGY TOP UP GRANT (DISCRETIONARY)

A small grant to fund the excess costs of a replacement boiler, in conjunction with the Council's Energy Services Team, where the full cost cannot be met by existing funding available.

2.1.1 Scope of works

The Council can use its discretion to provide top up grant funding for replacement boilers as specified by the council. The applicant will need to be eligible for funding through the Council's Energy Services Team, but the costs exceed the maximum grant available.

2.1.2 Eligibility

Applications will only be considered when referred directly through the Council's Energy Services Team and are eligible for their funding schemes.

2.1.3 Terms and conditions

Grant must be used in conjunction with existing funding schemes available through the Council's Energy team and satisfy their terms and conditions of the funding.

This top up grant is non repayable.

2.3 HOME IMPROVEMENT LOANS FOR OWNER OCCUPIERS (DISCRETIONARY)

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 Council based on an assessment of financial resources.

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.

For the replacement of means of heating or hot water, the applicant must: - Have first been assessed for Funding through the Council's Energy Services Team. Financial assistance will only be offered on production of evidence that funding is not available for the applicant through the Council's Energy Team.

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

Interest Free Loan

- Duration of loan – life
- Interest free period - Life
- Full repayment will become due on sale or transfer of the property.
- This loan is available to applicants aged 65 or over

Interest Free repayment Loan

Duration of loan – up to 25 years

- Interest free period – Duration of the loan term
- The loan must be paid by instalments to enable full repayment of the capital within the loan term.
- The loan term will be determined through an affordability assessment and tailored to the applicant's financial circumstances.

In cases where Category 1 hazards have been identified through the HHSRS and the affordability assessment determines that the applicant cannot make regular monthly repayments, an interest free loan may be offered, subject to availability.

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.

For the replacement of means of heating or hot water, the applicant must have first been assessed for funding through the Council's Energy Services Team. Financial assistance will only be offered on production of evidence that funding is not available for the applicant through the Council's Energy Team.

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 is up to 5 years subject to circumstances and amount of loan and interest free period for the 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 is up to 10 years subject to circumstances and amount of loan and is interest free period for the 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 Council 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.

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

These conditions apply to all discretionary grants and loans, excluding Disabled Facilities Grant Supplementary Financial Support, 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 Council Tax 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 **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 **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 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).

5.4³ **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 noncompliance with the loan agreement, from the date the Council considers the non-compliance date.

³ The loan period commences on the date the application is approved by the Council. The applicant will be give written confirmation of this date.

5.5 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 term.