

## APPENDIX 2 – AMMENDMENTS TO THE PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE POLICY

### **Amendments to the Empty Property Assistance Criteria**

Budget permitting, assistance is available from the Council for bringing long-term empty residential properties in the Borough back into use under the Regulatory Reform (Housing Assistance) Order 2002.

Following the initial letter offering the Empty Property Grant, the offer will remain open for a maximum of six months. After this time the offer of grant would normally be withdrawn.

Five types of Empty Property Grants are available:

- Empty Property (Returning From Care) Grant
- Empty Property (Key Workers) Grant
- Empty Property Landlords Grant
- Empty Property Landlords Grant (owner going into long term care)
- Empty Property Landlords Grant (where work is undertaken by agreement with LBB or an alternative agreed provider)

### **Empty Property (Returning From Care) Grant**

The Council may offer a grant to owner-occupiers who wish to return empty properties to housing use in the following circumstances:

- the applicant is in long term care and due to disrepair is unable to return to their property;

### **Empty Property (Key Workers) Grant**

The Council may offer a grant to key workers where:

- the purchase price of the property was £500,000 or less.
- the applicant owns no other properties.

*A Key Worker is defined as a Public Sector Employee who is considered to provide an essential service.*

### **Specific Conditions for Both Types of Owner Occupier Grant**

- the property has been empty for 6 months or more
- the applicant owns the freehold of the property and is responsible for all structural repairs, or the applicant has a lease with at least 8 years to run and any required freeholder permission for the proposed works is obtained
- the property does not meet the Decent Homes Standard.
- the applicant has Planning Permission for the proposed works or an Established Use Certificate
- the applicant has no outstanding debts to the Council e.g. Council tax arrears
- applicants who wish to convert a larger property into flats, and move into one of the units will be entitled to a Landlord's Empty Property Grant for the work (see below)
- the property must remain occupied by the applicant or immediate family. This is not time limited.
- the maximum grant for owner-occupiers is £20,000, subject to a reasonable cost assessment. The applicant's eligibility will be determined by a means test using the

formula or method dictated by the Housing Renewal Grants Regulations 1996 (as amended).

- the property shall be occupied within 1 month of completion of the work
- a charge is registered against the property so that if the property is sold, or the deeds are transferred within 5 years, the grant must be re-paid. In addition, if the property is allowed to fall vacant unreasonably, for a period of 6 months or more, the grant must be repaid. If any of the conditions are contravened following the completion of the works then the full sum will have to be repaid to the Council.

The Council has the discretion to pay 50% of the money up front e.g. where works to properties have stalled due to a lack of funds.

### **Empty Property Landlords Grant**

This grant may be used for work to:

- bring a residential property up to the Decent Homes standard and/or,
- conversion of the property into self-contained flats and/or,
- demolition and rebuild (providing there is an increase in the units of available housing) or,
- assisting with the purchase of a long term empty property or,
- conversion of a commercial unit into residential accommodation.

The council may offer a grant to landlords to return empty properties to housing use in the following circumstances:

- the property has been empty for 6 months or more
- the applicant is/will be the owner or leaseholder of the property and is responsible for all structural repairs
- the property does not meet the Decent Homes Standard
- the applicant intends to, (and the property is acceptable) to rent out the property for a minimum of five years to Barnet Homes or an alternative Social Housing provider approved by the Council, to house people in housing need nominated by the Council
- the applicant has any required Planning Permission for the proposed works or an Established Use Certificate (including Building Regulation Approval)
- the applicant has any required freeholder permission for the proposed works
- the landlord is a “fit and proper person” as defined under section 66(2) of the Housing Act 2004 this includes not contravening any provision of the law relating to housing or landlord and tenant law.

The maximum sums for Landlord Grants are shown in the following table. This policy provides the discretion to reduce the “Maximum Grant” through an Officer Agreed Delegated Powers Report where demand outweighs the budget available.

<b>Number of Bedrooms on Completion</b>	<b>Maximum Assistance</b>	<b>Incentive Scheme * See below</b>	<b>If the property is available for letting before 31st March 2014. * See below</b>
1	£15,000	£1,500	Provision of annual Gas Safety record for the 3 years of letting to Barnet Homes
2	£20,000	£2,000	
3+	£25,000	£2,500	

\* This policy provides the discretion to add top ups to the grant to promote the scheme, or where landlords work closely with the Council. This can include but is not limited to:

- an Early Bird Incentive (full application before a certain date),
- a Certificate Service (for example where the Council will provide Energy Performance, Gas Safe Certificate and Electrical Condition Report)
- A Loyalty Scheme for landlords signing up for extended nomination rights

Applicants can apply for up to a maximum of 6 units per property. Additional units may be agreed at the discretion of the Private Sector Housing Manager.

### **Empty Property Landlords Grant (owner going into long term care)**

The Council may offer a grant to owner-occupiers who wish to return empty properties to housing use in the following circumstances:

- the applicant is going into long term care;

### **Empty Property Landlords Grant (where work is undertaken by agreement with LBB or an alternative agreed provider)**

This policy provides the discretion to provide this grant if it is found to be viable following an assessment of the business case. The Council is currently investigating the practicalities of this option. The service would enable landlords without access to funds up front, willing to let the property through Barnet Homes, or an alternative agreed provider to agree to LBB or alternative agreed by LBB completing the necessary works. The owner would need to agree formally to any costs not covered by the grant plus an administrative fee being accrued back through the rental income.

The property must be let to Barnet Homes or an alternative Social Housing provider approved by the Council to house people in housing need nominated by the Council for three years or until the assistance plus fee has been repaid, whichever is the longer.

### **Empty Property Landlord Grants Specific Conditions**

- the property must be let for a minimum of five years to Barnet Homes or an alternative Social Housing provider approved by the Council to house people in housing need nominated by the Council.
- Alternatively where accommodation is owned by a charity and tied to occupation by a specific client group, this may be agreed at the discretion of the Private Sector Housing Manager where the client group can be proved to be vulnerable.
- applicants are required to convert or improve the property to Barnet Homes Property Standards (or an alternative agreed by LBB) and the Decent Homes Standard
- the property (and its fixtures, fittings and furniture) must be fully insured. The Council will require a copy of the current insurance certificate to be provided before the assistance can be paid
- all works listed on the specification of works and all units within the property must be completed before the final payments can be made
- final payments are subject to confirmation from Barnet Homes (or an alternative agreed by LBB) that the works meet the standards agreed
- the owner (or agent, if any) must be accredited under the London Landlords Accreditation Scheme before final payment can be made

- works should be started within 3 months and completed within 9 months of approval
- to claim the payments a copy of the builder's final account with all relevant certificates e.g. building control, gas/electrical certificates, roof/damp guarantees etc must be provided on completion.
- the property shall be occupied within 1 month of completion of the work
- a charge is registered against the property so that if the property is sold, or the deeds are transferred within 5 years from completion of the grant, the grant must be re-paid in full. In addition, if the property is allowed to fall vacant unreasonably, for a period of 6 months or more, the financial assistance must be repaid.
- If any of the conditions are contravened following the completion of the grant then the full sum will have to be repaid to the Council

The Council has the discretion to pay 50% of the money up front e.g. where works to properties have stalled due to a lack of funds. Where the applicant has a contribution this must be paid before any payments are made by the Council.

### **Empty Property HCA Funding**

Homes and Communities Agency (HCA) funding is an additional grant of up to £13,000 per empty property to support the main Empty Homes Programme. It is limited to a minimum of 14 properties (9x2 bed and 5x 3 bed). On completion they must be let at Local Housing Allowance rates.

For conditions see Empty Property Grant Landlords Conditions.

This funding may be used in conjunction with the Council's Grant and also used where the Empty Property Landlords Grants has been put towards the cost of purchasing a long term empty property.

This grant is not repayable although it will be reclaimed if the landlord terminates the lease within the initial five year period and/or the above conditions are not complied with. It is repayable on a pro-rata basis.

All works must be completed by March 31<sup>st</sup> 2015 for this funding stream.

This policy provides the discretion to use any new funding secured from this or any alternative funding streams in line with the funding criteria and in addition to the financial assistance provided through this policy. It will not be used as an alternative to the proposals contained in this policy.