

ABRIDGED AND AMMENDED PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE POLICY

APPENDIX TO DPR 1690 (amended by DPR 2051)

1. STATUTORY FRAMEWORK

- 1.1 The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 gives local authorities a general power to help with improving living conditions or providing adaptations, taking account of local conditions. Article 3 of the order requires the local authority to have a published policy setting out the type of assistance it will offer and in what circumstances before exercising this power.
- 1.2 The Council published a Private Sector Housing Renewal Strategy in November 2003, which included its grant policy. The grant policy has been subject to several revisions and is now replaced by this financial assistance policy, which meets the requirements of Article 3 of the order.

2. FUNDAMENTAL PRINCIPLES OF THE FINANCIAL ASSISTANCE POLICY

2.1 Poor housing conditions

This financial assistance policy is based on the council's view that private sector owners are primarily responsible for maintaining their own property and that those with significant capital in their property should be expected to make use of it to fund works to their home. As a result the council does not generally provide discretionary funding to assist owners with the cost of works of repair or improvement. The exception is the decent homes grant targeted at vulnerable residents in non-decent homes (see 3.4).

Advice and support is given to owner occupiers in order to assist them in undertaking necessary improvements to their property. In way of assistance Barnet subscribes to "Houseproud", a national equity release scheme operated by the Home Improvement Trust. The scheme is tailored to assist vulnerable residents to access equity capital in order to maintain their properties (see 3.7).

Funding for the Decent Homes Scheme was been obtained from the Greater London Authority (GLA) through the North London Housing Sub Region for work to bring certain properties up to the Decent Homes Standard. The sub region comprises six partner authorities namely Barnet, Camden, Enfield, Haringey, Islington and Westminster.

The Decent Homes Grant programme in its present form ends in March 2013 and subject to additional funding being made available may be extended beyond this.

2.2 Bringing empty homes back into use

In 2011, 1567 empty properties were recorded as long term empty in the private sector within the London Borough of Barnet. The council established a set of objectives and priorities for empty properties 2008-9 in order to bring private sector

empty properties back into use. There are many benefits to bringing them back in to use including:

- meeting housing need by increasing the provision of affordable housing;
- reducing vandalism and anti social behaviour and crime;
- enhancing the local environment;
- reducing blight;
- reducing infestations by vermin;
- funding from the New Homes Bonus.

As well as the cost to the owner because of lost rental income, dilapidation, security, insurance, council tax etc an empty property can be costly to the Council because of staff time dealing with complaints, nuisance and for every property recorded as long term empty brought back into use the Council will receive a New Home Bonus.

The Council's aim is to ensure that properties in the private sector are not allowed to fall into such poor condition that they are detrimental to the local environment. It intends to use its powers of enforcement, such as Compulsory Purchase Orders, Enforced Sales and Empty Dwelling Management Orders, to deal with empty properties.

In order to encourage owners to bring empty properties back into use the council is offering financial assistance to landlords and owner-occupiers.

Empty property work is currently partly funded by the North London Housing Sub Region and partly funded from the Council's Empty Property Programme.

3. FINANCIAL ASSISTANCE PRODUCTS

3.3 Empty Property Assistance (amended June 2013)

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 Empty Property Financial Assistance, the offer will remain open for a maximum of six months. After this time the offer of grant would normally be withdrawn.

Four types of Empty Property Financial Assistance are available:

- assistance for prospective owner-occupiers (in long term care)
- assistance for prospective owners – occupiers (key workers)
- assistance for prospective landlords
- assistance for prospective landlords (where work is undertaken by agreement with LBB or an alternative agreed provider)

3.3.1 Empty Properties – Assistance for owner-occupiers

The Council may offer assistance 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 Properties – Assistance for Owner Occupiers (Key Workers)

The Council may offer financial assistance 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 Assistance

- 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 Financial Assistance for the work (see below)
- the property must remain occupied by the applicant or immediate family. This is not time limited.
- the maximum assistance 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, 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. This is not time limited.

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 Assistance Conditions (owner-occupiers): In addition to the conditions above re-payment conditions apply as detailed in paragraph 4.3 overleaf.

3.3.2 Empty Properties – Assistance for landlords

This assistance 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 assistance 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 three 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 assistance are shown in the following table. This policy provides the discretion to reduce the “Maximum Assistance” through an Officer Agreed Delegated Powers Report where demand outweighs the budget available.

Number of Bedrooms	Maximum Assistance	Early Bird incentive paid where a full Application is * See below	If the property is available for letting before 31st March 2014. * See below
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 (applying 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 Properties – Assistance for Prospective Landlords (where work is undertaken by agreement by LBB or alternative agreed by LBB)

This policy provides the discretion to provide this financial assistance 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 Financial Assistance 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 Properties – Assistance for Prospective Landlords- Specific Conditions

- the property must be let for a minimum of three years to Barnet Homes or an alternative Social Housing provider approved by the Council to house people in housing need nominated by the Council.
- 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
- applicants are required to fund 25% of the reasonable cost of the works and improvement of the property up to the maximum sums shown above so for example, if the total cost of the work is £20,000 in a two bed property, the assistance will be £15,000. The maximum sums are inclusive of any VAT incurred by the applicant,
- a charge is registered against the property so that if the property is sold, or the deeds are transferred, the financial assistance must be re-paid. 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 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.

3.3.3 Empty Property - Top Up

Homes and Communities Agency (HCA) top up grant is an additional funding 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 80% of the prevailing market rates.

A condition of this funding is that the property is let to the Council for a minimum of 5 years and landlords will be expected to enter into a legally binding agreement with the Council. This could be in the form of a lease and/or registered Local Land Charge.

In addition to the criteria listed for “Empty Properties Assistance for Prospective Landlords”, this funding may be used to:

- bring a residential property up to the Decent Homes standard and/or,
- conversion of the property into self-contained flats

This funding may also be used where the **Empty Properties – Assistance for Prospective Landlords** has been put towards the cost of purchasing a long term empty property.

The “Top Up” can be used to cover the remaining 25% of the landlords match funding element.

The “Top Up” element is a grant and as such 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.

Additional funding is currently being applied for from the Homes and Community Agency. 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.

3.4 Decent Homes

The Decent Homes standard is the minimum benchmark standard for housing in both the social and private sectors. In Barnet 44,435 homes were non-decent in 2009. (Source: Building Research Establishment).

A home is “decent” if:

- i) It contains no serious (Category 1 HHSRS) hazards
- ii) It is in a reasonable state of repair
- iii) It has reasonably modern facilities and services i.e.
 - a reasonably modern kitchen (20 years old or less) with adequate space and layout;
 - an appropriately located and reasonably modern bathroom (30 years old or less) and toilet;
 - adequate insulation against external noise (where external noise is a problem); and

- adequate size and layout of common areas for blocks of flats
- iv) It provides a reasonable degree of thermal comfort i.e. it has efficient heating and insulation

In certain conditions an applicant may apply for more than one grant where the property fails more than one of the decent homes criteria but is subject to funding being available. Monies may also be directed from other grant budgets.

Decent Homes Grants are funded from the regional housing pot, targeted funding stream, allocated to the North London Housing Sub Region by the Government Office for London.

There are 2 types of grant funding available; Decent Homes and Category 1 Hazards.

3.4.1 Decent Homes Grant

The aim of this grant is to provide assistance to undertake repairs and improvements to make the property decent under the full Decent Homes standard as described above. If the full standard cannot reasonably be achieved for whatever reason, compliance can be reduced on the following order of priority:

- i. criterion a (category 1 hazards),
- ii. criterion d (thermal comfort)
- iii. criterion b (reasonable repair)
- iv. criterion c (reasonably modern facilities and services).
- v.

The assistance is for properties which contain a vulnerable household but excludes assistance for landlords. For the purposes of Decent Homes Grant eligibility vulnerable owner occupiers are identified as those who are in receipt of one or more of the principal income related or disability benefits (as defined by the current DCLG Decent Homes Guidance as this list of benefits is subject to change and threshold limits).

The cost of works subject to a Decent Homes grant is set at £3,750. This is an average figure to ensure that the spend is not more than this figure per unit (i.e. cheaper cases offset more expensive ones). This funding is sub-regionally funded and the financial rules for this grant are set sub-regionally.

3.4.2 Category 1 Hazards Grant

The Category 1 Hazards Grant is available both to landlords and owner occupiers of all descriptions, provided the dwelling contains a vulnerable household. In Houses in Multiple Occupation (HMO's) it is available provided a vulnerable household is affected by the category 1 hazard. In all cases the consent of the occupier is necessary.

The aim of the grant is to reduce the most 'serious' category 1 hazards first. Although the property does not have to be free of category 1 hazards when work is complete, this will be the objective.

There is a £2,000 grant limit per unit. This is an average figure, so that when all cases are averaged, the spend is no more than £2,000 per unit, i.e. cheaper cases offset more expensive ones. This funding is sub-regionally funded and the financial rules for this grant are set sub-regionally.

4. Re-payment Conditions

4.3 Empty Properties Assistance

See paragraphs 3, 3.3.1, 3.3.2, and 3.3.3 above.

4.4 Decent Homes Grants

Where a Decent Homes Grant is provided a charge is registered against the property so that if the property is sold, or the deeds are transferred within 10 years of completion of the works, the grant must be re-paid. In addition, if the property is allowed to fall vacant unreasonably, for a period of more than 6 months, the grant must be repaid.

5. General condition relating to all grants

5.1 The payment of all financial assistance, or part thereof, is conditional upon:

- (i) the eligible works or the corresponding part of the works being executed to the satisfaction of the authority, and
- (ii) the authority being provided with an acceptable invoice, demand or receipt for payment for the works and any preliminary or ancillary services or charges in respect of which the grant or part of the grant is to be paid.

For this purpose an invoice, demand or receipt is acceptable if it satisfies the authority and is not given by the applicant or a member of his/her family.

5.2 For the purposes of condition 5.1 “member of his/her family” includes:

- (i) spouse or civil partner, persons living together as husband and wife or as if they were civil partners, or
- (ii) parent, grandparent, child, grand-child, brother, sister, uncle, aunt, nephew or niece.

For the purpose of subsection 5.1(i) and (ii):

- (iii) a relationship by marriage or civil partnership shall be treated as a relationship by blood,
- (iv) a relationship of the half-blood shall be treated as a relationship of the whole blood,
- (v) a stepchild of a person shall be treated his/her child, and
- (vi) an illegitimate child shall be treated as the legitimate child of his mother and reputed father.