

Durham
Private Sector Housing Renewal
Financial Assistance Policy

1 April 2009 – 31 March 2011

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Arabic

আকারে এই তথ্যটি পেতে নিচের নম্বরে ফোন করুন:

Bengali

假如您需要這份資料的中文摘要，請致電下面的號碼。

Chinese

اگر آپ کو یہ معلومات اردو میں درکار ہیں تو اس نمبر پر کال کیجیے۔

Urdu

Jezeli potrzebujesz streszczenia tych informacji w jezyku polskim zadzwon prosze na ponizszy numer

Polish

ਜਾਂ ਤੁਸੀਂ ਇਹੁ ਖਬਰ ਦਾ ਨਿਚੋੜ ਪੰਜਾਬੀ ਵਿਚ ਚਾਹੁੰਦੇ ਹੋ, ਤਾਂ ਕਿਰਪਾ ਥੱਲੇ ਦਿੱਤੇ ਹੋਏ ਨੰਬਰ ਤੇ ਸੰਪਰਕ ਕਰੋ ।

Punjabi

यदि आप यह जानकारी का संक्षेप हिन्दी में चाहते हैं, तो कृपया निचे दिए हुए नम्बर में सम्पर्क करें ।

Hindi



(0191) * * * * *

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Introduction

1. **Background**

- 1.1 This document sets out the approach in Durham to the provision of financial assistance. The Policy complements the range of measures employed by the Council, aimed at improving and maintaining healthy living conditions within the existing housing stock and specifically seeks to help homeowners to improve, repair and adapt their properties. Whilst the Policy will target assistance at those who are elderly, disabled or on a low income, assistance will also be targeted at preventing decline within neighbourhoods in need of support.
- 1.2 The Policy has been produced to reflect the provisions of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. This Order repealed much of the existing prescriptive legislation governing the provision of grants and replaced it with a more general power to provide a range of forms of assistance.
- 1.3 The Policy includes a range of loan assistance types, and places emphasis on testing a client's ability to contribute to the cost of works. This is in line with the Governments view that "*it is primarily the responsibility of homeowners to maintain their own property*"¹, and with the Councils commitment to ensure that limited public resources are used responsibly. The Policy follows the principles of loan first, grant last resort, and focuses on providing financial options for those who are excluded from mainstream sources of finance. The combination of loan and grant products and the ability of the policy to tailor financial assistance to meet individual needs, will contribute to the sustainability of the Financial Assistance Policy in the longer term.
- 1.4 This Policy sets out the advice, practical support, and loan and grant assistance, that is available, together with the eligibility criteria and the conditions that will be applied and brings together assistance which is made under alternative statutory powers such as the provision of mandatory Disabled Facilities Grants under the Housing Grants Construction and Regeneration Act 1996 (as amended).
- 1.5 The policy underpins the Regional and Sub Regional housing strategies, as well as other key documents within Durham, including the; Sustainable Community Strategy, Health Improvement Plan, Strategic Housing Market Assessment and the Corporate Plan, the policy will also contribute to meeting the Council's vision "A council committed to developing a prosperous, safe and sustainable future for County Durham, listening to and working with local people, leading and shaping our communities and working in partnership to ensure quality, cost effective services".

¹ Office of the Deputy Prime Minister Circular 05/2003 "*Housing Renewal*".

2. Funding

- 2.1 The award of any loan or grant under this Policy is subject to the availability of funding having regard to the capacity of the Capital Investment Programme approved budget and this may vary on an annual basis. All loans and grants (excluding Mandatory Disabled Facilities Grant) are provided at the discretion of the Council. Priority for assistance will be given to those households living in the poorest economic circumstances, in the worst housing conditions, or in areas specifically designated by the Council which may be in line with wider Regeneration priorities.

3. Delivery

- 3.1 This policy has effect from 1st April 2009, following the approval by full Council. Arrangements to deliver the financial assistance products will be developed in a method that will be consistent with those that are being developed across the north east region. The North East Regional Loan Partnership (consisting of representatives of each of the sub-regions in the North East, Government Office for the North East, North East Assembly and Foundations, the Co-ordinating Body for Home Improvement Agencies) is currently considering how financial assistance can be delivered across the region in a way that will take advantage of scale, to facilitate the increased recycling and reinvestment of funds into remedying poor housing conditions. Through effective joint delivery across the region, and the building of a worthy track record of the provision of loans assistance, it is envisaged that the Policy will become increasingly self-sustaining through the attraction of private finance.
- 3.2 During 2009-2010 the availability of the financial assistance products within this Policy may be limited during this development phase.
- 3.3 In addition, and specifically in relation to helping those affected by Council plans for demolition to relocate, where programmes of private property acquisition have already begun and not been completed at the time of approval of this Policy, the Council may use discretion to continue to apply the financial assistance principles that were applicable prior to the approval of this policy for existing acquisition programmes to ensure that affected residents are treated fairly and equally. The assistance available within acquisition programmes will be made clear to residents affected.
- 3.4 The policy will be subject to continuous monitoring and an annual review to ensure that it remains suitable and is contributing to achieving strategic housing objectives in the most effective way. An assessment of the outputs and the outcomes achieved by the Policy will be made. These will include, among others; the number of households supported in carrying out repairs, improvements or adaptations using their own resources, and an examination of whether their increased confidence as a result of practical support through the process would make them more likely to carry out further works, and the number of households who have been able to continue living independently after receiving Council Loan or Grant Assistance. Where certain changing circumstances have a significant impact on the operation of the policy, necessary changes will be made to the policy. Changes could include financial limits, changes in legislation, and changes in local or national housing policies. Changes that will affect the financial assistance types, eligibility for financial assistance, or the conditions associated with assistance and that will prevent local authorities from operating on an equal footing will be examined at a regional level. All changes will be subject to local Cabinet approval.

Where assessment shows that the Policy is operating satisfactorily and that no changes are required, the relevant Council Cabinet Member will be provided with a progress update.

Consultation

4. The policy has been produced following consultation with a variety of key stakeholders and residents from across the County, including: -
- Members of the County Home Improvement Agency (HIA) Forum
 - Local Strategic Partnership Groups from across the County
 - Strategic Housing Partnerships across the County
 - Members of the Supporting People Commissioning Body
 - Staff at the Primary Care trust
 - Senior Management within Adult and Community Services, Durham County Council
 - Senior Management within Children and Young People's Services, Durham County Council
 - Registered Social Landlords
 - Age Concern
 - Probation Service
 - Senior Housing staff within the following district councils; Durham City, Derwentside, Easington, Sedgfield, Chester le Street, Teesdale and Wear Valley
 - Residents groups within Easington District
- 4.1 Consultation will continue to be carried out throughout implementation and delivery.

Objectives of the Policy

5 The Policy has a number of objectives, which are:

5.1 To improve and maintain healthy living conditions within private sector housing, specifically helping homeowners on limited incomes to repair, improve or adapt their properties and so facilitate independent living;

This may include;

- Advice, guidance and financial assistance to tackle the existence of Category 1 Hazards under the Housing Health and Safety Rating System (HHSRS); the minimum standard for housing and to improve homes to meet the Decent Homes Standard, giving priority to people with disabilities, older people and those who are on low incomes, who are otherwise excluded from accessing reputable forms of finance. Assistance towards a Standard that is either higher or lower than the Decent Homes Standard may sometimes be appropriate. For details of the Decent Homes Standard, and works that may be assisted see Appendix A.
- The provision of mandatory disabled facilities grants, and financial help for people with impairments to move to alternative private or affordable housing when their existing homes are unsuitable for adaptation or to assist with the funding of adaptations that exceed the mandatory disabled facilities grant limit.
- Financial Assistance towards the conversion of properties into larger family homes to meet local housing need

5.2 To contribute to the regeneration of areas suffering from market vulnerability, and to tackle poor housing conditions in areas where these may contribute to neighbourhood decline;

This may include;

- Tackling low confidence in neighbourhoods through the provision of financial assistance towards works to improve the visual appearance or security of homes
- The provision of financial assistance towards works that will enable problematic empty homes to be brought back into use.
- Financial assistance to encourage tenure change in areas where the number of rented properties is disproportionately high, and where this is linked to a poor perception of the area. This may include provision of assistance to first time buyers.
- Financial assistance to help those affected by the Council's plans for property clearance to relocate to a more suitable home and to improve the replacement home to a Decent Standard if this is required.
- Financial assistance to encourage the improvement of privately rented properties beyond statutory minimum standards.

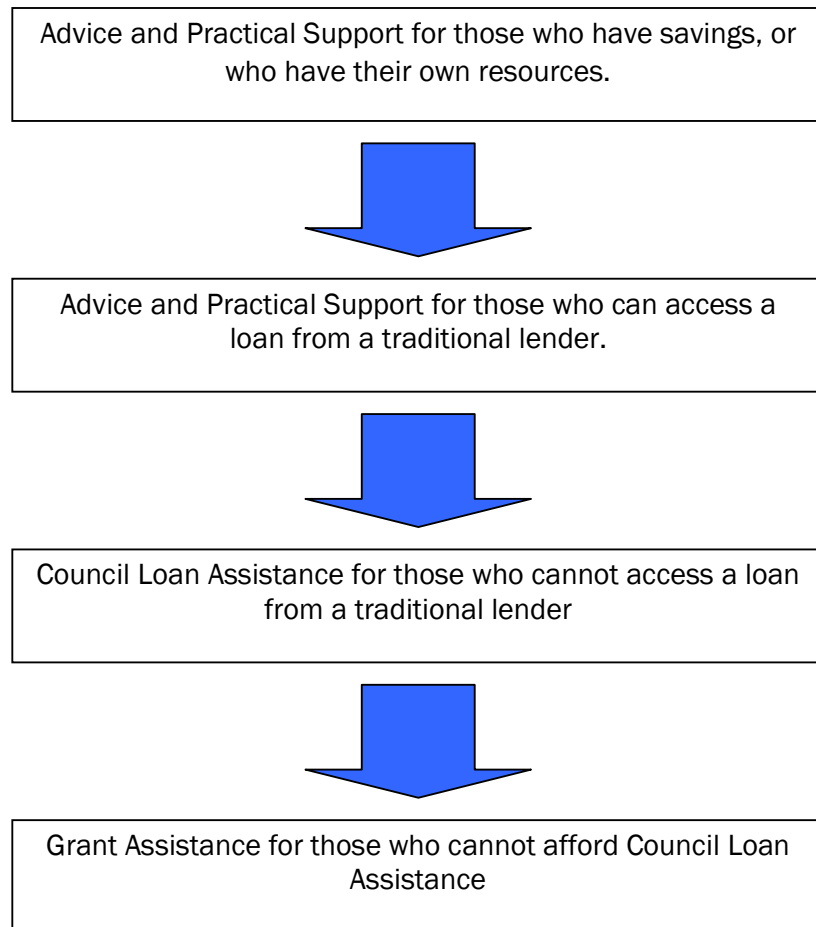
5.3 To encourage owners to undertake works that will make their homes more energy efficient and to reduce the number of people affected by fuel poverty.

This may include;

- Contributing to the costs of measures that will enhance thermal comfort through local 'Warmzone' or other Energy Efficiency schemes where these exist, particularly where a client is eligible for assistance from 'Warm Front', but is unable to afford their Client contribution.

Advice, Practical Support and Financial Assistance

- 6 This chapter of the policy sets out the types of assistance that are available, and explains in more detail the ‘hierarchy of assistance’ of the loans first, grants last resort principle around which this Policy is based;



6.1 Advice and Practical Support

6.1.1 In Partnership with local Home Improvement Agencies where these exist, advice is available to all Clients to enable them to make informed choices about the options available to them for home improvements, adaptations and relocation. Specifically in relation to how to;

- Identify what works are required to repair or improve the home to a Decent Standard
- Personally carry out home maintenance, preventative and improvement works or access the local ‘Handy Person’ Service where this exists and they are eligible for help;
- Understand what the work may cost if a contractor is required, and consider the options for funding the work, this may include helping to consider charitable or family funding, use of insurance cover, or how an Independent Financial Advisor may be able to help, and sign posting to suitable local firms;
- Select a contractor to carry out the works, including the provision of a list of suitable designers, contractors and agents.
- Decide whether staying put or relocation offers the better solution for their circumstances

6.1.2 Where a Client is eligible for financial assistance toward the cost of work (this is explained in Chapters 7 and 8), the Council in partnership with the Home Improvement Agency will make sure that all work is carried out to a high standard, by inspecting the work and communicating with the contractor.

6.1.3 If a Client is able to fund the cost of the work, but requires further support to obtain and assess estimates, and to select, appoint and manage a contractor, a Project Management Service may be available for a small fee.

6.2 Financial Assistance

6.2.1 Information from the client relating to their finances and the works they require financial assistance towards will be used to determine the type and level of assistance (if any) that would be most appropriate to suit their personal circumstances.

6.2.2 This affordability test includes consideration of income, such as any salary and benefits that are received, and outgoings, such as an existing mortgage, any loan repayments as well as living costs. Living costs may include the cost of household bills and running a car. These costs will help the Council to calculate whether the Client might be able to access affordable credit from a bank or building society or whether the Client could reasonably make repayments on any loan that the Council may be able to provide. A property valuation may also be undertaken in order to assess the potential for releasing the value of any equity.

6.2.3 Where the test determines that a client has sufficient income or equity to meet the cost of the works from a mainstream source they will be offered information and practical assistance to help them to carry out any works that are required, or to move home if appropriate. They will not be eligible for financial assistance from the Council.

6.2.4 Clients whose financial circumstances exclude them from accessing finance from a mainstream source shall, subject to the availability of funds, be considered for the forms of financial assistance from the Council contained within sections 7 and 8 below. In order to ensure that any lending is responsible, access to Independent Financial Advice may also be made available to help a client to choose the most suitable means of funding the cost of work required.

6.2.5 The hierarchy of assistance will not apply to the following forms of assistance, though they each have specific eligibility criteria;

- Mandatory Disabled Facilities Grant. See section 8.2.
- Empty Homes/ Conversion Assistance Grant. See section 8.4.
- Area Based Assistance. See section 8.7.

Loan Assistance

7 Financial Assistance Loans

The Council offers 2 types of loan products: -

- Repayment Loan (Capital and Interest)
- Equity Loan

A combination of loans, or a combination of loan and grant may be required to suit a Clients individual financial circumstances.

Loan	Eligibility	What can the loan be used for?
<p><u>7.1 Capital and Interest Repayment Loan</u></p> <p>This is a loan, for Clients who are able to make monthly repayments. The interest rate will be fixed, so that the monthly repayment will always be the same, and the amount of interest that will be charged will be known to the Client at the beginning of the loan. The monthly repayment will consist of an interest payment, and a reduction in the amount of capital owed. This means that with each payment the interest is recalculated, the fairest way of charging interest.</p> <p>Clients can borrow up to £15,000, over a term of 1-15 years.</p> <p>The repayment period will depend upon the circumstances of the individual, and the amount borrowed. The Council will use the affordability test to make sure that monthly repayments will be affordable – no more than one third of the monthly disposable income, and will provide help and support should the client experience difficulty in meeting repayments.</p> <p>There will be no penalties should the client be able to overpay, or repay the loan early in full. This means that repaying the loan early will reduce the amount of interest paid, and so the total amount paid back.</p>	<p>This loan is available to Clients who own their own homes but who are unable to access a commercial loan on reasonable terms, but who are able to make regular repayments.</p> <p>The loan will not be available to landlords.</p>	<ul style="list-style-type: none">• To carry out works that will contribute to the Decent Homes Standard.• To assist an applicant to make their contribution towards works funded by a Disabled Facilities Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, to pay for works which facilitate independent living, but which are not eligible for mandatory Disabled Facilities Grant, or to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix C.• To assist a Client who is not able to make their contribution towards a Government funded Energy Efficiency Scheme.

7.2 Equity Loan

This product will meet the needs of Clients who do not have sufficient income to make monthly repayments on a loan, but have equity in their property. No monthly repayments are required.

For the purposes of;

- repairing, improving or adapting the home, Clients can access 80% of the available equity in their home
- relocating to a replacement home, Clients can access 50% of the available equity in the replacement home.

Subject to the value of the available equity, Clients can borrow between £3,000 and £35,000.

In certain circumstances, particularly where Clients are relocating to a replacement home, may have been living in overcrowded conditions, or wish to move into a home which had previously been empty for more than 6months, and was in a poor condition, a larger loan than the maximum of £35,000 may be available at the discretion of the Council, subject to the amount of available equity in the replacement home.

Repayment of the Loan:

The amount of loan will be translated into a percentage of the property value at the time the loan is approved. This percentage will be used to calculate the amount to be repaid, at the time that the property is sold and the loan repaid. This will require the property to be valued at the beginning, and at the end of the loan period.

The following rules apply in relation to calculating the amount to be repaid, but would be subject to review at the time the loan is repaid should they cause the Client to be placed in unreasonable hardship;

- The minimum amount repayable will be the amount borrowed. This may cause difficulty should the property have decreased in value.
- There will be no cap on the amount to be repaid. Should the

This loan is available to Clients who own their own homes and who;

- are unable to access a commercial loan on reasonable terms,
- are unable to make monthly repayments on a Capital and Interest Repayment Loan and
- have equity in their homes.

The loan will not be available to landlords.

- To carry out works that will contribute to the Decent Homes Standard.
- To bridge the gap between the value of the current home and the cost of a replacement where the Client is affected by Councils plans for property demolition (see Grant Assistance for other Relocation Support). The Equity Loan may not be available should the Client choose to move outside of a set geographical area. This area will be clearly defined by the Council and the information made available to affected residents
- To assist a Client to make their contribution towards works funded by a Disabled Facilities Grant, to pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, to pay for works which facilitate independent living, but which are not eligible for mandatory Disabled Facilities Grant, or to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix C.
- Subject to funding the Council may also make this loan available to help Clients to participate in targeted initiatives such as those to help Clients to improve areas outside the home

<p>property value increase significantly, so will the amount to be repaid. Any appreciation in value of the property will be shared with the Council in accordance with the original loan as a percentage of the property value at the time that the loan is repaid.</p> <p>Repayment will be required on sale, disposal of the property, or upon the death of the Client. (For more information see 'Financial Assistance Conditions')</p> <p>Should the Client wish to repay the loan (or part of the loan) at any time before the property is sold, the amount to be repaid will be calculated using the value of the home at that time. There will be no early redemption charges.</p>		<p>such as unmade footpaths and roads that are within the Clients ownership and where it is their responsibility to carry out maintenance.</p> <p>In such initiatives, specific eligibility criteria and conditions will apply.</p> <p>To find out about current schemes, use the contact details at the rear of this policy.</p>
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For Examples of how the loans work, see Appendix D.

Grant Assistance

8. Grant assistance is available for the purposes detailed below. In most circumstances grant assistance will be subject to a test of resources, and will always be subject to the budget that is available.

Grant	Eligibility	Conditions
<p>8.1 <u>Decent Homes Assistance Grant.</u></p> <p>This grant can be used for works that are required to bring the property up to a Decent Standard. This may include works to remove health and safety hazards in the home, to carry out repairs, or to improve facilities or the thermal comfort of the property. For more guidance on the Decent Homes Standard or works that may be eligible for assistance see Appendix A.</p> <p>Assistance towards a Standard that is either higher or lower than the Decent Homes Standard may sometimes be appropriate.</p> <p>The maximum Grant is £35,000.</p>	<p>This grant is available to Clients who: -</p> <ul style="list-style-type: none"> • Are unable to access a commercial loan on reasonable terms and for whom a loan from the Council is also unsuitable. • This assistance will not be available to properties affected by Council plans to demolish homes. • This grant will not be available to landlords. 	<ul style="list-style-type: none"> • Only one grant will be available for a property in a five year period. • The grant will be repaid to the Council when the property is sold. (For more information see conditions.)
<p>8.2 <u>Disabled Facilities Grant</u></p> <p>This mandatory grant can be used for works that enable a client to live independently in their own home by providing suitable adaptations to meet their specific needs. The needs will be assessed by an Occupational Therapist and works agreed. For more guidance on works that may be eligible for assistance see Appendix B.</p>	<p>This grant is available to:</p> <ul style="list-style-type: none"> • All owner-occupiers and tenants (private, Council or Housing Association), licensees or occupiers who are able to satisfy the criteria in sections 19 to 24 of the Housing Grant, Construction and Regeneration Act 1996. • Landlords may apply for a DFG on behalf of 	<ul style="list-style-type: none"> • The Client must undergo a means test, unless the grant is for a disabled child. This will take into account the resources of the disabled occupant, and their partner. • Should the property be sold within a period of 10 years following the completion of the work, part of the

<p>A maximum of £30,000 is available.</p>	<p>a disabled tenant but must satisfy the requirements in the relevant sections of the above Act.</p> <ul style="list-style-type: none"> • A grant is available when the cost of the works required exceed the value of a contribution that the applicant must make following a means test. • For those disabled people whose conditions are degenerative, further adaptations to the home to cater for their deteriorating condition may become necessary at a later date. In such cases and depending on the time lapse between the successive applications, the amount of an applicant's current contribution may be reduced by the amount paid towards previous grant assistance. • Properties where planning and conservation restrictions and architectural and structural characteristics allow works to be carried out. • Council or Housing Association tenants where no offer has been made of an alternative property that meets their needs. 	<p>grant will be repaid to the Council. (For more information see conditions.)</p> <ul style="list-style-type: none"> • In some cases the cost of the works may be covered either by an insurance payment or a claim against a third party. The Council believes that it is appropriate for the authority to give grant aid to ensure the works are completed at the earliest opportunity. However where the grant applicant subsequently receives a payment from an insurance or damages claim in respect of the grant aided works then he should repay the authority the grant, so far as is appropriate, out of the proceeds of any claim. • Where the grant has been used to provide specialist equipment such as a stair lift, temporary ramps and hoists, the Council shall be given the option to recover the equipment for re-use where appropriate if the applicant no longer has a use for it.
<p>8.3 Disabled Facilities Top-Up/Discretionary Grant</p> <p>This grant can be used to;</p> <ul style="list-style-type: none"> • assist an applicant to make their contribution towards works funded by a Disabled Facilities Grant, • pay for works which are eligible for mandatory Disabled Facilities Grant but where their cost exceeds the maximum limit of £30,000, • pay for works which facilitate independent living, but 	<p>The grant is available if the applicant is unable to access;</p> <ul style="list-style-type: none"> • a commercial loan on reasonable terms, or • a loan provided by the Council <p>The Council may, at its discretion make discretionary grant available to Clients who</p>	<p>The Disabled Facilities Grant Conditions apply.</p>

<p>which are not eligible for mandatory Disabled Facilities Grant,</p> <ul style="list-style-type: none"> • help a disabled person to purchase a home that meets their needs, or can be more easily adapted. For more detail on using the loan to move house see Appendix C. <p>The maximum assistance that is available is £10,000. The assessment criteria for works apply as for the Disabled Facilities Grant.</p>	<p>may have been able to secure a loan to facilitate the speedy completion of works which are particularly urgent. This may include works;</p> <ul style="list-style-type: none"> • to enable a terminally ill person to be cared for, or • to assist a disabled person to return home from hospital. 	
<p>8.4 <u>Empty Homes/Conversion Assistance Grant</u></p> <p>This grant can be used for works that are required to bring the property up to a Decent Standard. This may include works to remove health and safety hazards in the home, to carry out repairs, or to improve facilities or the thermal comfort of the property. For more guidance on the Decent Homes Standard or works that may be eligible for assistance see Appendix A.</p> <p>This form of assistance may also be available for conversion works for;</p> <ul style="list-style-type: none"> • a pair of flats into a single dwelling • a vacant shop with a flat attached, to a single dwelling • other configurations may be considered where appropriate (but will not include loft conversions or extensions to existing single use dwellings unless the household is suffering from statutory overcrowding) <p>Assistance is available to a maximum of 50% of the cost of the eligible works, to a maximum of £35,000.</p>	<p>This grant is available to:</p> <ul style="list-style-type: none"> • Carry out works to properties that have been empty for more than 6 months, to enable them to be brought back into use. • Carry out works to meet need for family sized homes which may or may not have been empty. • Both those intending to occupy or let the property to tenants. • Clients will be required to demonstrate that it is not possible to secure sufficient finance through a commercial product, and that a funding gap exists. 	<ul style="list-style-type: none"> • The grant will be repaid to the Council when the property is sold. (For more information see conditions.) • Where the Client intends to occupy the property as their home, it must remain their principal residence until the grant is repaid; • Where the property is let to a tenant, the landlord must ensure that the property meets any local 'Accredited Standard' and that he becomes a member of any local Landlord Accreditation Scheme. This standard and membership should be maintained until the grant is repaid. This standard will be agreed with the landlord prior to approval of the grant.

8.5 Energy Efficiency Grant

This grant will offer assistance towards energy efficiency measures such as insulation.

Subject to funding the Council may also contribute to helping Clients to improve the thermal comfort of their homes through providing financial support to partner organisations such as 'Warm Zones' where these exist or through other targeted initiatives.

To find out about current schemes, use the contact details at the rear of this policy.

The assistance is available to:

- Clients participating in Government Energy Efficiency Schemes, but who are unable to make their Client contribution and are unable to benefit from a Council loan as a result of their inability to make repayments.

The grant will not be available to landlords.

- Specific eligibility criteria and conditions will apply to each initiative.

- The grant will be repaid to the Council when the property is sold. (For more information see conditions.)

8.6 Relocation Assistance

This package of assistance consists of:

- Market value compensation for both owner-occupiers and for landlords
- A Home Loss payment based on 10% of the property value for owner-occupiers with a minimum payment of £4,700 (or the current statutory minimum payment) and a maximum of £47,000 (or the current statutory maximum payment).
- A home Loss payment of £4,700 for all Tenants whose homes are purchased by the Council.
- A Disturbance Payment that should cover all reasonable expenses arising from re-location. Payment is based on proof of purchase provided by the resident.
- A Basic Loss payment of 7.5% of the property value for landlords.
- A discretionary Relocation Grant to enable a person affected by relocation to move to a suitable home. The maximum relocation grant available is £25,000.

The assistance is available to:

- All residents and property owners affected by the Councils plans to demolish homes.
- The assistance is available at the time that the Council purchases the property.
- This discretionary Relocation Grant is available to Clients who own their own home but who are unable to access the Equity Loan to assist them to relocate. A Discretionary Panel will take into account all or a combination of the following factors.
 - The availability of suitable housing.
 - The current market value of the existing property to be demolished.
 - The current market value of the proposed new property, identified by the Client
 - The existing mortgage terms and conditions.
 - The cost of funding any alterations to the
- Relocation Grant may be unavailable should the Client choose to move outside of a set geographical area. This area will be clearly defined by the Council and the information made available to affected residents.

	<p>new property.</p> <ul style="list-style-type: none"> • The funding of any shortfall between the new and old property. • The equity in the existing property. • The mortgage rearrangement costs. • Any other exceptional circumstances deemed necessary by the Discretionary Panel. <p>For more information on the Discretionary Panel see Appendix E.</p>	
<p>2. 8.7 Area Based Assistance</p> <p>Financial Assistance is available for works which will enhance confidence and perception of specific Neighbourhoods within the area.</p> <p>As the needs of each area are identified, a range of renewal assistance will be offered which may include the following:</p> <ul style="list-style-type: none"> • Area Based Schemes designed to tackle specific issues, such as prevention of crime, or particular housing defects affecting a number of homes • Block improvement or Facelift schemes <p>A contribution from the owners towards the works is normally required. The contribution will be specified for each scheme. A financial test of resources may be available to owner occupiers to assess their ability to make a contribution.</p>	<p>Assistance will usually be available;</p> <ul style="list-style-type: none"> • Within specific neighbourhoods that require support, in accordance with the Councils plans, produced in conjunction with local people, for comprehensive improvement of the area. • Both owner occupiers and, within block schemes, landlords who employ good management practices. • The assistance will be based upon the type of works involved, the tenure of the property and financial resources available to the owner occupier. 	<ul style="list-style-type: none"> • The grant condition period is 5 years, and will begin upon approval of the financial assistance. If the property is disposed of during this period, then payment of the grant will be required to be paid back in accordance with a sliding scale of repayment. (For more information see conditions). • Where the property is let to a tenant, the landlord must ensure that the property is well maintained and well managed, should this be found not to be the case throughout the grant condition period of 5 years, financial assistance may be reclaimed by the Council. This standard will be agreed with the landlord prior to approval of the grant.

Financial Assistance Costs

9.1 Costs associated with Financial Assistance

The Council charges a local authority fee for the administration of financial assistance. This is associated with the professional, technical and administration charges incurred in providing advice, preparing schedules, supervision and project management of successful enquiries for financial assistance. This fee is a percentage of the cost of the works required, and will be made clear to the Client prior to approval of the financial assistance. Subject to the Clients individual financial circumstances, financial assistance may be available toward the cost of the fee.

Financial Assistance Conditions

10 Conditions that apply to all forms of Financial Assistance

- Financial Assistance will not be paid for works that have already begun prior to approval.

11 Prior to the Works

11.1 The Applicant

- a. The applicant must be the homeowner, i.e. be the person named on the mortgage or deeds of the property at the time the assistance is received and must sign either an;
 - "Owner-occupation Certificate". This document certifies that the applicant intends that he or a member of his family will live in the dwelling as his (or that member's) only or main residence until the assistance is repaid (or until the end of the Grant Condition Period for Area Based Assistance), or a;
 - "Certificate of Intended Letting". This document certifies that the applicant intends that the dwelling will be let or available for letting, for use as a residence (and not for a holiday) to a person who is not a member of the owner's family until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance).
- b. The applicant must be aged 18 years or over on the date of application;

11.2 The Property and the Works

- a. The property must be registered with Land Registry at the time of the application for assistance.
- b. The works that are eligible for assistance, the Client Contribution, and the contractor that will carry out the works must be agreed with the Council. Should the Council have in place any local 'approved contractor' system, then financial assistance will only be provided in accordance with this system. Should this system be in place, the Client Contribution will be required to be paid to the Council prior to commencement of any works.
- c. Should works that were unforeseen at the time of the approval of the financial assistance be identified while the works are being undertaken, financial assistance towards the additional cost will be considered in accordance with the hierarchy of assistance included within Section 6. This means that the Clients will be required to pay for such works themselves unless they are unable to demonstrate that they do not have the resources available. Should additional financial assistance be appropriate, the 'loans first, grant last resort' principle will be applied. Should the additional financial assistance required cause the maximum amount of financial assistance available to be exceeded, the Council may use discretion through normal decision making processes to approve the increased amount.

d. The Property must be registered with Land Registry prior to approval of any financial assistance.

11.3 The Application

An application must be made on the application form provided for that purpose. The Council will only consider a valid application for assistance. A valid application is one where the following documents are submitted:

- A correctly completed application form and any supporting documentation
- Either a certificate of owner occupation, or a certificate of intended letting or a tenant's certificate
- Proof of title where applicable
- Authorisation from the owner of the property if a third party is acting agent in the application. This can be in the form of an authorisation letter, power of attorney or similar
- Completed form of Technical and Administrative Services Charges
- Any relevant reports as requested by the Schedule giving the particulars of the relevant works
- At least two sets of estimates
- Details of preliminary or ancillary services or charges
- Other prescribed particulars

a. The applicant shall be required to enter into a contract with the Council.

b. The Council will determine an application within 6 months of receipt of a valid application. The applicant will be informed in writing of the approval or refusal of the application.

12 Carrying Out and Completing the Works

12.1 Where the work has begun and not been completed and the Council has incurred costs including any interim payments or additional costs, the Council may recover these from the applicant. Where the applicant fails to fully reimburse the Council, the Council shall place a land charge on the property for the outstanding amount plus any interest accrued from that date;

12.2 The works that are eligible for assistance must be completed to the satisfaction of the Council and carried out in accordance with any specification imposed by the Council

12.3 The eligible works should be completed within six months from the date of approval of the application. The Council may extend this period if they feel it is necessary, upon written request from the applicant;

12.4 The council should be provided with an acceptable invoice, demand or receipt for payment from the approved contractor. For this purpose an invoice, demand or receipt is acceptable if it satisfies the Council and is not produced by the applicant or a member of his family.

12.5 It will be a condition of assistance that the property must be insured and properly maintained. If this condition is not met during the period until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance) it will be a breach of the conditions of assistance; a copy of the buildings insurance certificate may be requested annually by the council.

13 After the works

- 13.1** The property should be kept properly maintained. If this condition is not met during the period until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance) - the Council may treat this as a breach of conditions.
- 13.2** It is the responsibility of the applicant to demonstrate that the conditions of the financial assistance are being adhered to. If the Council requests any information in relation to the conditions in writing and the applicant fails to supply the information, then the Council may deem this as a breach of the financial assistance conditions;
- 13.3** The property must not be left empty for any appreciable length of time until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance). An extended period of vacancy may be construed as a breach of conditions and the council may seek to recover financial assistance monies from the applicant. The Council may however waive this in exceptional circumstances; The applicant should notify the Council in writing of any extended period of vacancy of over 6 weeks in duration;
- 13.4** Should the application have been accompanied by a signed Owner-Occupation Certificate, and the financial assistance approved in accordance with this, the property should remain the principal residence of the Client until the financial assistance is repaid (or until the end of the Grant Condition Period for Area Based Assistance). Should the property be subsequently let to a tenant before the assistance is repaid the Client will be required to carry out any works required to ensure that the property meets at least the minimum 'accreditation standard' as set by any local Landlord Accreditation Scheme. The Client will also be required to become a member of any local Landlord Accreditation Scheme. This property standard and membership of this scheme should be maintained until the assistance is repaid (or until the end of the Grant Condition Period for Area Based Assistance). A tenant is a person who is not a member of the owner's family.
- 13.5** In relation to Area Based Assistance, should the property be subsequently let to a tenant before the assistance is repaid it will be sufficient for the Client to demonstrate that the property meets the minimum standard for housing, and that the property and tenancy are well managed. Accreditation and membership of any local scheme will not be required.
- 14 The Legal Charge and Local Land Charge**
- 14.1** Once an application for financial assistance is approved, the assistance will be registered as a legal charge and a local land charge on the property. This will be carried out before any assistance is paid.
- 14.2** Capital and Interest Repayment Loans, of a value of less than £3,000 will not be registered as a legal charge, but will be registered as a local land charge.
- 14.3** In relation to Disabled Facilities Grants, the charge will apply for a period of 10 years from the date at which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date").
- 14.4** In relation to Area Based Assistance, the charge will apply for a period of 5 years from the date of approval of the assistance.
- 14.5** For all other forms of financial assistance the charge will remain on the property until the financial assistance is repaid.
- 14.6** In relation to the Capital and Interest Repayment Loan, should the Client wish to make a relevant disposal of the property before repayment of the loan is complete, this will be a breach of the conditions and the loan amount that is outstanding must be repaid to the Council upon the disposal of the property.
- 14.7** Reducing the priority of the charge or removing the charge will only be undertaken in exceptional circumstances.
- 14.8** A charge is binding on the person who is for the time being an owner of the premises concerned.
- 14.9** Where a condition is broken, the Council has all the usual remedies in law to secure repayment including enforcement of the

charge.

15 Repayment of Financial Assistance - Owner occupiers

It is a condition of all forms of assistance that repayment is received in accordance with the terms of approval of the financial assistance. Specifically that;

15.1 In relation to Capital and Interest Repayment Loans, repayments are received in accordance with financial assistance approval.

15.2 In relation to Equity Loans, repayment is received when the property is sold, disposed of, assigned, transferred or otherwise, including the transfer to family members, or is no longer occupied by the Client as principal residence. Family members include both immediate and extended family. Should family members or other persons be living in the property at the time of death of the Client, there will be no automatic right of succession. Should repayment of the loan require the property to be sold in this circumstance the Council can exercise discretion through formal decision making processes if appropriate.

15.3 It is a condition of all forms of assistance that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, they will be required to repay the financial assistance to the Council. (For details of both relevant and exempt disposal, see explanatory notes below)

15.4 It is a condition of the 'Area Based Assistance' that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, within a period of 5 years from the date on which the Council approves the financial assistance they will be required to repay the financial assistance to the Council, on demand, and in accordance with the following sliding scale: -

Year 1	100% repaid
Year 2	80% repaid
Year 3	60% repaid
Year 4	40% repaid
Year 5	20% repaid

15.5 It is a condition of the 'Disabled Facilities Grant' that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, within a period of 10 years from the date on which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date") he will be required to repay the financial assistance to the Council, on demand. This is subject to certain restrictions imposed by the Housing Grants Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008. The Council may demand the repayment of such part of the grant which exceeds £5,000, but may not demand in excess of £10,000.

15.6 Where the condition is breached, the Council may decide not to make any demand for whole or part repayment. Each case will be considered on its merits and examples of such instances may be as follows:

- **Provision of care** - where they are satisfied that the owner is elderly or infirm and is disposing of the property with the intention of being cared for by relatives or going to live in sheltered housing or a residential care home, or where the owner is moving to care for an elderly or infirm family member.

- **Repossession** - where a mortgagee exercises a power of sale.
- **Employment** - where an applicant is making a disposal further to the need to move following acceptance of employment where they would otherwise become unemployed
- **Financial Hardship** – where financial circumstances have changed and financial hardship would be suffered if all or some of the grant was repaid. This may include instances where the applicant is suffering from negative equity.
- **Health and Well-being** – where the disposal is connected with the physical or mental health or well being of a relevant person.
- **Suitability for the number of occupants** – to enable accommodation to be provided which is more suitable for the number of occupants.
- **Disposal proceeds** – where the proceeds of the sale are less than the amount to be repaid.
- **Disposal to the local authority or Registered Social Landlord**
- **Inheritance** – disposal by a relevant person where the premises are vested in that person as a person taking under a will or intestacy.
- **Sale to a disabled person on the Councils Disabled Facilities Grant waiting list** – where the Council would otherwise have assisted the buyer to adapt their current home.

16 In More Detail - Repayments of Financial Assistance – Landlords

16.1 It is a condition of the assistance that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, he will be required to repay the financial assistance to the Council.

16.2 It is a condition of the 'Area Based Assistance' that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, within a period of 5 years from the date on which the Council approves the financial assistance he will be required to repay the financial assistance to the Council, on demand, and in accordance with the following sliding scale: -

Year 1	100% repaid
Year 2	80% repaid
Year 3	60% repaid
Year 4	40% repaid
Year 5	20% repaid

16.3 It is a condition of the grant that;

- the dwelling will be let as a residence, and not for a holiday, on a tenancy which is not a long tenancy (except in the case of a disabled facilities grant), by the owner for the time being of the dwelling, to a person who is not connected with him (generally speaking, this means not a member of his family), or
- the dwelling will be occupied by a member of the Agricultural population under a service contract, and otherwise than as a tenant.

16.4 It is also a condition of the grant that the Council may by written notice require the owner to provide within 21 days a statement

showing how the property is occupied.

- 16.5** It will be a condition of assistance that the property must be insured and properly maintained. If this condition is not met during the period until the assistance is repaid, (or until the end of the Grant Condition Period for Area Based Assistance) it will be a breach of the conditions of assistance; a copy of the buildings insurance certificate may be requested annually by the council.
- 16.6** It will be a requirement for the recipient to maintain the property to at least the minimum 'accreditation standard' as set by any local Landlord Accreditation Scheme and for the Landlord to become and remain a member of any local landlord Accreditation Scheme in existence at the time that the grant was approved. This will have been made clear to the landlord in advance of making an application for the grant. Failure to do so may be construed as a breach in grant conditions. This does not apply to Area Based Assistance, where only the minimum standard for housing, and demonstration of good management practices will be required throughout the grant condition period.
- 16.7** In the event of a breach of the grant conditions, the Council may demand the repayment of the grant with interest. The Council has the discretion either not to demand repayment, or to require payment of less than the full amount.
- 16.8** At the time that the property is sold, or in the event of the breach of grant conditions, the Council may decide not to make any demand for whole or part repayment. Each case will be considered on its merits and examples of such instances may be as follows:
 - a) **Financial Hardship** – where financial circumstances have changed and financial hardship would be suffered if all or some of the grant was repaid. This may include instances where the applicant is suffering from negative equity.
 - b) **Disposal to the local authority or a Registered Social**
 - c) **Landlord – due to an Inability to let the premises** – where the landlord has not been able to let one or more of the flats contained in the building.

General Notes:

- i. If the dwelling is occupied by a person who is a protected occupier under the Rent (Agriculture) Act 1976 or is occupied under an assured agricultural occupancy, within the meaning of Part 1 of the Housing Act 1988, the condition will not be breached.
- ii. In a case where personal representatives or trustees are the owner, the letting must not be to a person who has a beneficial interest under the will, intestacy or trust, in the property or the proceeds of its sale.
- iii. A "RELEVANT Disposal" is where the whole or part of a dwelling undergoes either a conveyance of the freehold or an assignment of the long lease or the grant of a long lease, which does not qualify as an exempt disposal.
- iv. An "EXEMPT disposal" means a disposal that is:
 - a. Of the whole of the dwelling to the owner or one of the joint owners of the dwelling or to a wife or husband or former wife or husband or one of the joint owners, or a member of that person's family, or, in the case of a company, to an associated company.
 - b. Of the whole of the dwelling by Court order in the course of a domestic breakdown;
 - c. Compulsorily, or by agreement, to a public body with compulsory purchase powers;
 - d. Of land which is "included land" under Section 184 of the Housing Act 1985;

Please note: a full description of each category of the above categories is set out in Section 54 (section 54 (1) (a) and (b) should be read with reference to Sections 45(6) and 48(8)) of the Housing Grants, Reconstruction and Regeneration Act 1996.

Further Definitions

An owner's interest is:

- an estate in fee simple absolute in possession, or
- "a term of years absolute of which not less than five years remain unexpired at the date of application". This included a long lease of seven years or over granted under deed where the leaseholder has a repairing obligation. There must be at least 5 years remaining on the lease.

Whether held by the applicant alone or jointly with others.

A person is a member of another's family if that person is:

- the other's wife or husband or that person lives with the other as wife or husband, or
- a son or daughter or son-in-law or daughter-in-law of the other, or of the other's wife or husband ("son" or "daughter" includes any step son or step daughter and any illegitimate son or daughter, and "son-in-law" and "daughter-in-law" are to be construed accordingly) or, a parent, grandparent, grand child, brother, sister, aunt, uncle, nephew, niece of the other, or of the other's wife or husband, whether the relationship is by blood or marriage.

Equal Opportunities Statement

- 17** The Council is committed to including equality and diversity in everything we do. This includes eliminating unlawful discrimination, promoting equality of opportunity and access, and valuing diversity in the delivery of services. When assessing enquiries for the assistance contained within this policy, the Council will take into account issues regarding equality and diversity.
- 17.1** In order to ensure that this policy provides equal access to all, a comprehensive impact assessment has been undertaken to consider the effect of the policy on all the residents of the area.
- 17.2** The assessment showed overall that implementation of the revised policy would generally enhance the beneficial effect on the health, safety and welfare of residents by raising housing standards and community vitality.

Confidentiality and Data Protection Statement

- 18** When providing assistance the Council will require information relating to the personal and financial circumstances of the client.
- 18.1** This personal information will be handled in a manner, which meets the requirements of the Data Protection Act (1998). The Council will take all reasonable steps to ensure that personal data is kept secure against unauthorised access, loss, disclosure or destruction.
- 18.2** Sometimes it may be in the interest of the client to have personal information passed to one of the Council's partners, so that the client can receive further help. The Council will always request a clients permission prior to sharing information with partners.
- 18.3** In certain circumstances the information provided may be used to prevent and detect fraud, as a result of the Council's obligation to protect the public funds it handles.
- 18.4** The Freedom of Information Act enables anyone to request information from a public authority. When a request is made the Council has a duty to respond to the request within 20 days as well as providing advice and assistance to people who have requested information.

Contact Details

19 If you would like more information, or would like to discuss any part of this Policy contact XXX who will be happy to help.

19.1 If you would like to make an enquiry for assistance contact:

- By post or in person at XXX
- By telephone on XXX
- By email to XXX
- By fax on XXX

19.2 Alternatively go to our website at XXX where you will find advice and guidance on home repairs and maintenance, and the help that is available.

Complaints, Compliments and Appeals

20 The Council operates a Corporate Complaints procedure. If you are not satisfied with the service that you have received please contact us. Your comments help the Council to improve the service provided:

- By post or in person at XXX
- By telephone on XXX
- By email to XXX
- By fax on XXX

20.1 Equally if our Clients are satisfied with the service they receive we would also like to hear about it

20.2 Should a Client wish to appeal about any decision taken in relation to their enquiry for financial assistance, such as disputes relating to eligible works, or levels of assistance, appeals will first of all be dealt with by the Home Improvement Manager (or equivalent). Clients will be informed of the outcome of their appeal in writing. Should the issue not be resolved, the appeal will be referred to the Head of Housing. The decision of the Head of Housing will be final in this respect.

Appendix A - Guidance - Decent Homes Standard

A Decent Home must;

- a) **Meet the current statutory minimum standard for housing** – The Housing Health and Safety Rating System (HHSRS), states that all dwellings should be free from category 1 hazards. (Those hazards which are most likely to occur and to cause serious harm)
- b) **Be in a reasonable state of repair** – If one or more of the key building components are old and/or need major repairs or need replacing then the property would not meet the standard. Key building components could include; external walls; roof structure and covering; windows and doors; chimneys; central heating boilers; gas fires; storage heaters; plumbing and electrics. This list is not exhaustive.
- c) **Have reasonably modern facilities and services** – A dwelling is considered not to meet the decent standard if it lacks three or more of the following facilities: -
 - A kitchen which is 20 years old or less;
 - A kitchen with adequate space and layout;
 - A bathroom which is 30 years old or less;
 - An appropriately located bathroom and WC;
 - Adequate external noise insulation; and
 - Adequate size and layout of common entrance areas for blocks of flats
- d) **Provide a reasonable degree of thermal comfort** – The standard requires all dwellings to have both efficient heating and effective insulation. Efficient heating is defined as any gas or oil programmable central heating; or
 - Electric storage heaters; or
 - Warm air systems; or
 - Underfloor systems; or
 - Programmable LPG/solid fuel central heating; or
 - Similarly efficient heating systems which are developed in the future

It may sometimes be appropriate to provide financial assistance towards works, to a lower or higher standard than the Decent Homes Standard. For example;

A lower standard; To assist Clients to make their contribution towards a Government Energy Efficiency Scheme. Providing assistance towards works contributing to thermal comfort alone may be important to help a Client to take advantage of such a scheme, where an application for more complex works would slow the process and put their participation in such a scheme at risk. Similarly, an elderly Client may prefer only to have serious hazards remedied, to avoid prolonged inconvenience in the home.

A higher standard; Where work is being carried out to replace rotted windows, financial assistance may be provided to replace all windows in an elevation rather than only those that are in poor condition.

Appendix B - Guidance – Disabled Facilities Grant Eligible Works

The purposes for which mandatory DFGs may be given are set out below.

- facilitating access to and from the dwelling or the building in which the dwelling or flat, as the case may be, is situated, e.g. by widening doors or installing ramps;
- facilitating access to a room used or usable as the principal family room;
- facilitating access to a room used or usable for sleeping, or alternatively providing such a room for the disabled occupant;
- facilitating access to a room in which there is a lavatory, a bath or shower (or both) and a wash basin or providing a room in which there is such a facility or facilities;
- facilitating access to the garden
- facilities for the preparation and cooking of food.
- adaptations to the dwelling or building to make it safe for the disabled person and other persons residing with him. This may include improvements to access and movement around the home to enable the disabled person to care for another person who lives in the property, such as a spouse, child or another person for whom the disabled person cares.
- improvement of an existing heating system in the dwelling to meet the disabled occupant's needs. Where there is no heating system or where the existing heating arrangements are unsuitable to meet their needs, a heating system may be provided. The installation of central heating to the dwelling will only be considered where the well-being and mobility of the disabled person would otherwise be adversely affected.
- to enable a disabled person to have full use of heating, lighting and power controls in the dwelling. Such work includes the relocation of power points to make them more accessible, the provision of suitably adapted controls where a disabled person has difficulty in using normal types of controls and the installation of additional controls.

Common parts

The purposes for which grant is available for works to the common parts of buildings such as blocks of flats are, limited to works to facilitate access to the dwelling through the common parts, or facilitating the use by the disabled person of a source of power, lighting or heating in the common parts.

Determination of whether works are necessary, appropriate reasonable and practicable

The Council will satisfy itself that the works are necessary, appropriate reasonable and it is practicable to carry out the relevant works having regard to the age and condition of the dwelling or building. The Council will have regard in determining this to the guidance and good practice issued from time to time by the Government.

3. Guidance – Works which may be eligible for a discretionary/top-up Disabled facilities Grant

The following works are those which may not necessarily be eligible for mandatory Disabled Facilities Grant, but which enable a disabled person to live independently at home. Discretionary assistance may be available for these.

- The provision of a safe play area for a disabled child.
- Adaptation works to provide for a disabled occupant to receive specialised care or medical treatment in their own home for which the disabled person is responsible for meeting the costs of works.
- Adapting or providing a room to be used for a disabled person who is housebound but nevertheless is able to work from home.
- To provide a complete solution to the needs of the disabled person.

Appendix C - Guidance – Loan or Discretionary Disabled Facilities Grant Assistance for Moving to a more suitable Home

The Council will consider providing assistance to enable a disabled person to move to a more suitable home where it is more cost effective than adapting the current home to make it suitable for the person's current or future needs, even if the new home requires some adaptations.

The loan and discretionary assistance can be used to top up the mandatory Disabled Facilities Grant, as described in 7.1, 7.2 and 8.3 above.

However, when assessing the availability of loan or discretionary assistance beyond the maximum mandatory DFG limit of £30,000, the Council must ensure that the maximum amount of money spent on any one Client remains reasonable, and that funding available is used to help as many disabled people as possible.

In order to calculate the amount of loan or discretionary assistance that is available beyond the mandatory DFG limit of £30,000 the Council will consider the following factors;

- The eligibility of the applicant
- the nature of the works i.e. relocation will only be available where mandatory works are required to the existing home.
- Whether the current property is not reasonably suitable for adaptation, or the cost of the works exceeds the maximum assistance for mandatory Disabled Facilities Grant
- Whether the disabled person expresses a preference to move to a more suitable property.
- The existing support networks assisting the applicant.
- The availability of suitable housing.
- Consideration of social housing as an alternative.
- The cost of alternative care arrangements, home support residential care, etc.
- Entitlement to benefits and advice from the Benefits Agency
- The current market value of the existing property
- The current market value of the proposed purchase property
- The existing mortgage and terms and conditions
- The cost of funding and practicality of carrying out any alterations to the new property
- The funding of any shortfall between the new and old property
- The equity in the existing property
- The mortgage rearrangement costs
- The amount of financial assistance the Council may need to provide
- How the mortgage and interest payments will be financed

Appendix D – How the Loan Works

Capital and Interest Repayment Loan

Interest will be charged at a rate that is 2% above Bank of England Base Rate at the time that the loan is approved. The interest rate will be fixed for the life of the loan, so that the monthly repayment will always be the same, and the total amount of interest that will be charged will be known to the Client at the beginning of the loan.

The following example shows repayments based on an interest rate of 5%;

Amount Borrowed	Term	Monthly Repayment	Total Cost
£1000	2 years	£43.87	£1,052.91
£5,000	5 years	£94.36	£5,661.37
£10,000	10 years	£106.07	£12,727.86

The Equity Loan

Using the Equity Loan to improve or adapt the home:

Value of the home	£ 90,000
Value of outstanding mortgage and any other secured loans	£ 50,000
Available Equity	£ 40,000
Maximum Equity Loan available (80% of Available Equity)	£ 32,000
Loan required	£ 12,000
Loan as a percentage of the property value	13%
House Value on sale (when the loan must be repaid)	£ 100,000
Loan amount repaid (13% of the property value at the time of loan repayment)	£ 13,000

Using the Equity Loan to move home:

Value of existing home	£60,000
Cost of replacement home	£80,000
This is paid for with:	
• Value of existing home	£60,000
• Equity Loan	£20,000
The loan is equal to a quarter of the value of the new home	25%
House value on sale	£90,000
Repayment 25% of £90,000	£22,500