

# Public Document Pack

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Pennaeth Gwasanaethau Cyfreithiol a Democraidd



To:

CS/NG

Councillors: Haydn Bateman, Amanda Bragg,  
David Cox, Peter Curtis, Ron Davies,  
Glenys Diskin, Chris Dolphin, Rosetta Dolphin,  
Ian Dunbar, David Evans, Jim Falshaw,  
Veronica Gay, Ron Hampson, George Hardcastle,  
Cindy Hinds, Ray Hughes, Hilary Isherwood,  
Joe Johnson, Colin Legg, Brian Lloyd,  
Nancy Matthews, Ann Minshull, Mike Reece,  
Gareth Roberts, Paul Shotton, Carolyn Thomas,  
Sharon Williams and Matt Wright

22 April 2014

Tracy Waters 01352 702331

Dear Sir / Madam

A meeting of the **JOINT HOUSING AND ENVIRONMENT OVERVIEW & SCRUTINY COMMITTEE** will be held in the **COUNCIL CHAMBER, COUNTY HALL, MOLD CH7 6NA** on **MONDAY, 28TH APRIL, 2014** at **2.00 PM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

## **A G E N D A**

- 1 **APOLOGIES**
- 2 **DECLARATION OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **TACKLING LONG TERM VACANT PRIVATE HOMES** (Pages 1 - 48)  
Report of Head of Housing enclosed.

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The Council welcomes correspondence in Welsh or English  
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

- 4 **PRIVATE SECTOR HOUSING RENEWAL** (Pages 49 - 86)  
Report of Head of Housing enclosed.

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **JOINT HOUSING AND ENVIRONMENT OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **MONDAY, 28 APRIL 2014**

**REPORT BY:** **HEAD OF HOUSING**

**SUBJECT:** **TACKLING LONG TERM VACANT PRIVATE HOMES**

### **1.00 PURPOSE OF REPORT**

- 1.01 To provide Members with an understanding of the mechanisms available to tackle long term vacant private homes.
- 1.02 To update Members on the progress of the Welsh Government Houses into Homes Scheme.
- 1.03 To introduce to Members a proposed enforced sales policy, and seek support for its use.

### **2.00 BACKGROUND**

- 2.01 There are currently circa 450 long term vacant private homes in Flintshire, a figure which has been reducing over the last two years. This reduction is as a consequence of both direct financial assistance through the Council's capital programme and specific funding from Welsh Government; alongside an improving housing market.
- 2.02 The Welsh Government has given priority to increasing housing supply and views empty homes as a key component of this. The commitment given in their Programme for Government is to return 5000 long term vacant homes in Wales to occupation, during this term of Government, 2011-2016.
- 2.03 To support this aim, Welsh Government has made available £20M of funding for the Houses into Homes Scheme. The resource is being used to provide interest free loans to owners of long term vacant homes (over 6 months) to renovate them and return them in to use. The loans are for 2 years if the owners wishes to sell the property once improved, or 3 years should they wish to let it.
- 2.04 Houses into Homes, is being delivered on a regional basis and Flintshire County Council is the lead authority for this Scheme in North Wales. Over the last 2 financial years in excess of 100 loans have been made across North Wales totalling £4.4M. Flintshire's claimed share of this resource is £950K.

- 2.05 The above resource is supporting 14 loans in Flintshire, with a value of between £25K and £150K. The scheme is limited to a maximum of £25K per unit of accommodation and an upper limit of £150K. The first homes to be completed through the scheme were a row of 6 terraced properties in Flint. These properties are now occupied and have supported the ongoing regeneration of the town. The Council manages the properties on behalf of the owner through a 5 year lease. There are currently a further 8 properties undergoing major regeneration across the County and this first phase of the initiative will provide an additional 19 units of accommodation, a grand total of 25 extra housing units.
- 2.06 Whilst it is intended that the Houses into Homes loans will be recycled upon redemption, the 3 year repayment term and the lack of new resources in 2014/15 means that there is likely to be a gap in activity until the first loans are repaid in 2016. All loans granted by Flintshire through the scheme have been loans to let.
- 2.07 Given the good progress being made, it is vital that as financial resources reduce, the Council remains in a position to tackle long term vacant private homes. Therefore, it has undertaken a review of its enforcement options and a WG funded consultant was provided to each Council to support this. On this basis the Council is bringing forward an enforced sales policy for consideration by Members and to seek support for its use in Flintshire.

### **3.00 CONSIDERATIONS**

- 3.01 At present the Council has a range of options for returning long term empty dwellings back in to use. Outlined below are the main options at its disposal, along with any limitations as to their use.
- 3.02 **Building Act 1984**  
This provides the Council with various powers that can be used to require works to buildings, including empty homes. The Act contains the provisions necessary to deal with dangerous structures, meaning those properties which are so dangerous that they are structurally unsafe. The most common remedy in this situation is demolition of all or part of the structure. As this can cover any building type, the legislation is currently enforced by Building Control on behalf of the Council.
- 3.03 Additional powers under this Act exist to deal with ruinous and dilapidated buildings and defective drainage from existing premises. The Act permits the Council to serve Notice on the owner and (if not completed within a given timescale), undertake the work themselves. These provisions are enforced by Officer's of the Environmental Health Service within the Public Protection Division.
- 3.04 **Housing Act 2004**  
This Act allows the Council to serve a wide variety of Notices, the

most appropriate to empty homes being an Improvement Notice. The Notice can be used to specify work to bring the property up to a habitable standard and remove any category 1 hazards. Under the Housing Health & Safety Rating System there are 29 hazards that must be considered when assessing a dwelling. These are hazards that might affect occupiers or visitors to the property. However, it would be difficult to use this for an empty property, unless the condition of it was having an impact on the safety of others, e.g. slates falling from a roof on to a neighbour's property, or the street below.

- 3.05 The Council could equally choose to use the Building Act and the section in relation to dangerous structures to remedy this. It is very much dependant on the outcome the Council is seeking to achieve to determine the most appropriate route. If the eventual outcome desired is demolition of the dwelling, then the Building Act is most appropriate. If the long term aim is to work with the owner to return the dwelling to a good standard and returned in to use, then housing legislation should be utilised.
- 3.06 The Housing Act also introduced the power to serve an Empty Dwelling Management Order (EDMO). This allows the Council to serve Notice on the owner of a long term vacant property, stating that it intends to take over all responsibility for the property, renovate it and let it out. Given the severity of the measure there are many restrictions to its use. The property must have been vacant for over two years and the owner must not be making any attempt to market the property for sale or let. An Order shouldn't be considered by the Council when the owner is absent from the property, but the reason is not of their choosing e.g. when they are receiving medical care, or are in prison.
- 3.07 In addition the Council must make its case to the Residential Property Tribunal (RPT). The RPT is an independent tribunal set up to resolve disputes relating to private rented and leasehold property. The tribunal is usually made up of 3 people, a legal representative, a housing professional and a lay person. The tribunal must consent to the serving of an Empty Dwelling Management Order. In reaching that decision they will accept representations from both the Council and the owner. The Council must prove that it has done all it can to work with the owner to bring the property back in to use without success. Similarly the owner will be required to prove why the service of an EDMO is not reasonable.
- 3.08 In the event that an EDMO is granted it initially operates for up to 12 months. During which time the Council, or its managing agent can renovate the property and let it out. The Council, or its managing agent, can then recover the cost of the work required to bring the property up to a habitable standard through rental income. Any residual rent after the Council's costs are passed back to the owner.
- 3.09 After 12 months the Council must then decide whether it can pass the

property back to the owner, or if it does not wish to do so, apply to extend the Order for a 6 year period. A Council might chose to do this if it does not have confidence that the property will remain occupied and well managed if it were to be transferred back to the owner. However, the owner would once again be able to challenge this decision at the RPT. Given that serving an EDMO is a protracted and complex process and initially the Council must fund the cost of improvements, it is the least used of all the tools available.

**3.10 Environmental Protection Act**

This Act allows the Council to service notice on property owners where the premises is prejudicial to health or a nuisance. In the context of empty homes it is most commonly used where properties are linked and a defect in one is causing damage to the other for example. Where a defective roof on one property is causing dampness in the adjacent property, then a statutory nuisance exists and Notice is served on the owner to address the issue under this Act. However, whilst this affects the repair, it doesn't put pressure on the owner to occupy the property, other than any charges incurred.

**3.11 Local Government Miscellaneous Provisions Act and the Prevention of Damage by Pests Act**

The above Acts are regularly used in connection with empty properties, as they provide for securing them against unauthorised access and provide the ability to clear properties and gardens to eliminate vermin. These Acts, alongside the Environmental Protection Act are enforced by Environmental Health Officer's in the Public Protection Division.

**3.12 Town and Country Planning Act**

There is a section within the above Act that relates to 'premises which are detrimental to the amenity of the neighbourhood.' This allows the Council to serve legal notice on the owners to take reasonable steps to improve their properties. However, the threshold on this piece of legislation in case law is high and therefore whilst it is a tool at the disposal of the Council, it isn't frequently used in the area of vacant homes. However, it is now common for this power to be available to those responsible for empty property enforcement. Compulsory purchase is also available under this, or the Housing Act. However prior to the use of these powers, Officer's are required to seek Cabinet approval and make provision for the necessary acquisition costs and associated compensation payments.

**3.13 Law of Property Act**

This piece of legislation has been on the statute books since 1925, however it was rarely used until Manchester City Council decided it would be a good tool to address their growing problem of vacant homes in the early 2000's. At that time it was identified that a little known provision within the Act allowed Council's to force properties in to auction, were there was an outstanding debt.

- 3.14 Relevant debts can include Council Tax arrears, Social Care charges and any other debt for work carried out and funded by the Council as a result of exercising any of the powers discussed above (excluding the EDMO). The enforced sales procedure therefore offers the Council the potential to resolve the issue of the property being empty and also place it in a stronger position to recover monies it is owed. The only way the owner of the property can prevent the property from being placed in auction is to repay the debt. Therefore, to pursue this route the debt must be significant, so there is reasonable confidence the process will reach a conclusion and the property be sold. The Council can then work with the new owner to ensure the property is reoccupied in a timely manner.
- 3.15 Given that Council Tax debt is a relevant debt for the purpose of the enforced sale, it is envisaged that this will become an important tool in the future. The current WG Housing Bill contains provisions for increasing Council Tax charges for long term vacant homes (over 12 months) up to 150%. The aim is to encourage owners to reoccupy their properties, rather than pay the increased charge. Should this remain unaltered in the Housing Bill, it will be an option for all Welsh Council's from April 2015. As the additional charge is optional, any increase will be the subject of both Scrutiny oversight and Cabinet approval prior to implementation. However, should the additional charge be approved, it will not only act as a deterrent to owners leaving their properties unoccupied, but it may also increase opportunities for enforced sales and increase revenue generally.
- 3.16 There are currently a small number of properties across Flintshire where use of this power would be appropriate. All the properties have an outstanding debt to the Council and we have been unable to secure their occupation voluntarily by the owner. One of the properties has social care charges in excess of £40K, where the owner and recipient of care is now deceased and the family are unwilling to sell the property as they wish to live in it, but are unable to fund the cost to make it habitable. The property is in a severely dilapidated state and there is little chance of the current owners ever being in a position to improve it. Given the level of debt owed, they will also not have the ability to prevent the sale, as they cannot repay it. Should an enforced sale be successful, the Council's local land charge is secured and would be repaid out of the proceeds of the sale during the conveyancing process.

#### **4.00 RECOMMENDATIONS**

- 4.01 That Members note the mechanisms for returning long term vacant private homes back in to use.
- 4.02 That Members note the progress the Council has made in delivering the Welsh Government Houses into Homes Scheme.

4.03 That Members support the proposed enforced sales policy and its use in Flintshire.

#### **5.00 FINANCIAL IMPLICATIONS**

5.01 The Houses into Homes Scheme is funded through Welsh Government and the intention is that it will be a recycling fund for use by Council's in perpetuity.

5.02 A successful enforced sale will allow the Council to recover any debt owed. However, adequate financial provision will need to be made through the Council's capital programme to enable works in default of a Notice to be carried out when required.

5.03 In respect of empty properties, there is the option for Council's to utilise Houses into Homes capital for works in default. To date the Council has not pursued this option, as the resource would have to be repaid by the Council in future years and it reduces the overall pot available for applicants.

#### **6.00 ANTI POVERTY IMPACT**

6.01 Activity in respect of long term vacant homes assists property owners to improve and rent or sell their properties. This provides additional accommodation, often at affordable rents to local people.

6.02 In addition, where the cooperation of the owner is not forthcoming, they can be compelled to return their property in to use, with all the benefits highlighted above.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 Returning long term vacant properties to occupation is more environmentally friendly than building new properties to meet housing need. Additionally the standards of those properties improved are high and as result this also lessens their environmental impact.

#### **8.00 EQUALITIES IMPACT**

8.01 The service in respect of empty properties is of benefit to both property owners and those in housing need.

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 There are no personnel implications arising as a result of this report.

#### **10.00 CONSULTATION REQUIRED**

10.01 No consultation is required as a result of this report.



**11.00 CONSULTATION UNDERTAKEN**

11.01 No consultation has been undertaken as a result of this report.

**12.00 APPENDICES**

12.01 Proposed enforced sales policy

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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# Flintshire County Council

## Vacant Private Sector Dwellings Enforced Sale Procedure

### Background

In order to address the growing issue of long term empty dwellings within the county borough, Flintshire County Council are developing a number of initiatives to return properties back into use. In the majority of cases, this will involve working with owners to bring properties back into use through providing both financial and practical support. However, in a number of cases it will not be possible to work in partnership with owners and in some cases this may result in a requirement for the Council to carry out works in default to secure a property or deal with specific issues with a debt then being owed to the Council be the owner for works carried out.

One of these initiatives which enable the council to recoup debts and bring properties back into use in the process is the Enforced Sale. The Enforced Sale Procedure ("ESP") sets out how this will be achieved. Without the use of an ESP, it's likely that a number of substantial debts owed to the council would remain owing with properties remaining empty and potential blights on communities for an indefinite period of time.

The purpose of this procedure is to highlight under what circumstances are the powers to use an Enforced Sale available and a step by step guide to utilising an Enforced Sale on a vacant property.

### Purpose of an Enforced Sale

The use of the Enforced Sale powers are statute based and when the necessary rights are conferred allows for Flintshire County Council to either recover expenses incurred through

debt recovery process or by charging the legal title(s) of a property with the debt and then selling the property in order to recover debt.

This power is available for use, where the statutory provisions allow, for the recovery of debts on:

- Land
- Occupied dwellings
- Empty properties
- Commercial properties

Though the intention of this document is to address the specific issues around vacant residential dwellings where powers are available through the various environmental, planning and highways legislation.

The Enforced Sale Procedure is part of a range of activities which are used to deal with empty properties and should be considered alongside other initiatives.

Where possible the Council works in partnership with a range of public, community and private sector organisations to bring properties back into use.

### Human Rights Act 1998

It is reasonable to assume that the ESP may affect human rights. In particular Article 8 of part 1 of The Convention provides that everyone has the right to respect for private and family life, his home and his correspondence. Paragraph 2 of Article 8 provides that there shall be no interference by a public authority with the exercise of this right except such as is in accordance with the law and is necessary in a democratic society in the interests of national security, public safety or the economic well-being of the country, for the prevention of disorder or crime, for the protection of health or morals, or for the protection of the rights and freedoms of others.

Further, Article 1 of the First Protocol provides that every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. The second paragraph of Article 1 however provides that this shall not in any way impair the right of a State to enforce such laws as it deems necessary to control the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties.

Regard shall be had to these provisions in each case where use of the ESP is considered and the matter shall only be progressed where it is considered that interference with human rights (if any) is justified and proportionate in accordance with the Human Rights Act 1998.

## **Preliminary Considerations**

### **1. Benefits of an Enforced Sale**

#### **1.1 Social**

By selling a long term empty property that is in a poor state of repair to a new owner, it is anticipated that work will

take place to return the property back into use.

#### **1.2 Financial**

Financial charges, which could otherwise prove impossible to recover, can be discharged out of the proceeds of the sale.

The prospect of having the property sold could potentially bring about the settlement of the outstanding debt by the owner / mortgagee.

#### **1.3 Proactive property owners**

Some property owners may become more proactive in dealing with any substantial defects on their properties as awareness raises about the willingness of the council to use such steps instead of ignoring issues and expecting the council to carry out works in default.

#### **1.4 More realistic than a Compulsory Purchase Order**

Most complaints about problematic long term empty properties enquire whether or not the Council would be prepared to use a CPO in order to acquire a property and return the property into use. However, the reality of a CPO means that it is costly in terms of time, personnel and finance to take such steps. Whereas an Enforced Sale can be achieved in substantially less time and many costs reclaimed by the Council at the point of sale.

It is however important to remember that the use of an Enforced Sale is for when all other attempts to recover the money have been unsuccessful and should not be used without attempting to communicate and work with the owner in the first instance. In some cases, other options such as a CPO may be considered more realistic or worthwhile.

## 2. Criteria

- Debt should be greater than £1,000 (or lower in exceptional circumstances).
- Property is vacant for 6 months or more
- There is not considered to be any interference with human rights or where interference is likely, it is justified and proportionate.

In cases of the debt being lower than £1,000, greater justification would be required for taking this action.

Justifiable reasons will include, but not be limited to

- Likely to cause danger to members of the public
- Likely to cause damage to adjoining or neighbouring properties

*Please note – in cases where the criteria are not met, it may still be possible to follow the procedure as a means of encouraging the owner to settle any outstanding debts and / or bring the property back into use within their own means.*

## 3. Legal Basis

The primary consideration is whether the relevant statutes under which the default works were carried out provide the necessary rights and powers to use an Enforced Sale against an empty property.

If the statute(s) confer a charge on all the estates and interests in the property concerned and also confer the Law of Property Act 1925 rights in regard thereto (i.e. grant the powers and remedies available as if the charge had been created by deed) then the procedure may be used and the charge will bind any prior charges affecting the property.

Covenants and easements over the subject property will not be so bound.

If the statutes(s) do not confer such rights, it will be necessary to consider whether Section 7 of the Local Land Charges Act 1975 applies.

If it does, the procedure may still be used but only the estate of the offending party will be bound, not all the estates and interests in the property. The existence of any prior charges and the quality of the offending party's title are major considerations when deciding whether or not to use the procedure under such circumstances.

If none of the above applies, then the procedure cannot be used. Other means of bringing the property back into use would therefore need to be considered.

Appendix 1 (page 23) sets out the details of the relevant statutes by which an Enforced Sale can be considered.

## 4. Validly serving statutory notices

Notices are generally served by environmental health officers requiring works to be undertaken. Great importance is attached to ascertaining that such notices have been served in accordance with the relevant statutory provisions. The requirement as to the service of notices vary according to the statute pursuant to which the notices has been served.

It is essential that all notices are served correctly as per the relevant statutes. If a notice is not served correctly then this will have serious consequences on the ability to

proceed with the Enforced Sale including the ability to recover the debt.

The Council will certify to the Land Registry that it has all the necessary powers to carry out the required action and has undertaken all steps in accordance with the relevant statute. The Land Registry will not decide on the merits on the application based on information provided but will instead rely on the relevant certifications given. If an owner disagrees with the action taken, the Land Registry may well wish the Council to clarify the position taken.

The serving officer will complete a 'Record of Serving of Notice' form on service of a statutory notice using the CIVICA System (or equivalent). This will provide a formal record as to the method of service of the notice. Departments may use different forms

If any doubts exist about the validity of a notice being served it would be advisable not to proceed further with an Enforced Sale until issues have been addressed.

### **Environmental Protection Act 1990**

Where applicable, in the case of empty properties, a notice served under Section 80(2) of the EPA should only be served on the owner. If a notice is incorrectly served the consequences can be detrimental for the use towards an Enforced Sale.

Once it has been decided that the notice has been served on the appropriate person, it will be necessary to consider whether the notice has been validly served.

There is no provision with Section 160 of the EPA for service by affixing the notice to property. It will be remembered as we're dealing with empty and abandoned properties this

may often be the preferred method of service.

However, Section 233 of the Local Government Act 1972 supplements the provisions of Section 160 of the EPA and provides for service by affixing to a property. This is the preferred method to be used by Flintshire County Council. The notice is affixed to property and copies sent to interested parties, if confirmed owner is found original is sent and copy affixed to property.

### **5. Necessary approval required**

The Council's Chief Officer for Housing Regeneration, Strategy & Enterprise Claire Budden has delegated authority to approve the use of an Enforced Sale. Before proceeding, necessary approval from the Housing Regeneration and Strategy Manager Gavin Griffith must be sought and the Authority Form (see Appendix 14 page 43) signed.

### **6. Land Registry**

If the property is already registered at Land Registry Wales, the charge(s) will need to be registered against the title(s) before a sale can proceed.

If the property is unregistered, enquiries need to be made with the Land Registry as to how they would deal with an application for first registration of title by a purchaser from the County Council so that information can be provided for the purchaser and requisitions avoided.

On receipt of an application for first registration by a purchaser, the Land Registry may, if no deeds or details of the incumbrances affecting the property are available, request further information on:

- The extent of the land to be registered (as affected by the charge). It is suggested that where

the boundaries of the property are clearly defined on the ground there should be no problems.

Where the boundaries are unclear, a careful investigation will need to be undertaken and a plan prepared illustrating the extent of the property. It is suggested, for clarity, that a disposal plan is prepared by the Council's Head of Assets and Economic Development ("HAED") illustrating the extent of the property to be disposed of.

A search of the index map of the Land Registry may assist in determining the extent of adjoining registered titles and may assist in determining the boundaries of the subject property.

- Incumbrances affecting the property – the Land Registry will probably make the usual 'protective entry' on the register to the effect that the property is subject to such incumbrances as affect the same at the date of registration, no details have been provided on first registration.

Once you've decided to adopt the ESP, it may be prudent to contact Land Registry Wales with regards to the proposals. This will assist to:

- Advise them of your proposals to commence the submission of applications for registration of charges arising from the statutes you have identified (where the property is registered).
- Agree which statutes confer the necessary rights and priorities (in view of the changes required by the Land Registry)
- Agree the format of such applications

- Agree how such registrations will be treated and the timescales to deal with them.
- Find out how the Land Registry will deal with applications for first registration by a purchaser from the Council under the procedure (where the property is unregistered).

## 7. Notices give prior to sale

**Section 81A Environmental Protection Act 1990** – subject to comments on pages 4-5 of this guide, if default works have been carried out under this Act it would be prudent (if such notice has not already been served) to serve a notice under Section 81A. This will have the effect of ensuring the statutory charge will bind all the estates and interests in the property.

If no such notice is served, no charge will arise pursuant to Subsection 81A (4) of the Act. Also, Flintshire County Council can not charge any interest on the debt pursuant to Subsection 81A (i)(a) of the Act.

(See Appendix 2, page 24 for suggested form of notice)

**Section 103 Law of Property Act 1925** – despite the fact that Section 103 (ii) of the Act allows a mortgagee the right to exercise the power of sale if interest under the charge is in arrears for two months, it is nevertheless felt prudent to service a notice under Section 103 (i) of the Act (see Appendix 2, page .

The power of sale cannot be exercised until three months has elapsed from the date of service of the notice.

*NB. There is no reason why the notice of demand for payment of the debt*

*cannot incorporate the necessary wording to satisfy the requirements of Section 103 and which notice can be served soon after the works have been completed. (See Appendix 2, page 24 for suggested form of notice)*

It will be necessary though to provide the first mortgagee (if any) with copies of the Section 103 notices in the usual way.

### **8. Is possession a factor?**

A power of sale is worthless unless the mortgagee can sell with vacant possession. When dealing with empty properties, it is expected that all properties will be vacant. A mortgagee assumes certain liabilities when taking possession, which extend further than a local authority's liabilities when undertaking their statutory rights and duties.

When possible, possession should be taken later rather than sooner in order to limit the liability of the Council. Immediately prior to exchange of contracts or in an auction, the property should be inspected by the relevant Empty Property Officer to ensure that possession has not been taken by any person or that work to bring the property back into use has not commenced.

*NB. If the property is occupied, it will be necessary to recover possession by court proceedings or for the occupier to agree to surrender up possession. This may have the difficulty of conferring a liability on the local authority as stated above and this must be taken into consideration in the decision process.*

### **9. Limitation Act**

A local authority's right to enforce a sale of property subject to an outstanding financial local land charge

is time limited by the Limitation Act 1980 (Section 20); this provides that

*“no action shall be brought to recover the principal sum of money secured by a mortgage or other charge of property or the proceeds of the sale of the land after the expiration of 12 years from the date on which the right to receive the money is accrued.”*

The right to receive the money accrues when the default works have been completed **not** when the demand is sent out.

The right to receive the money will depend on the legislation under which the local authority is acting. For example:

- the right to recover expenses under Section 81(4) of the Environmental Protection Act 1990 arises when the expense is incurred by the local authority.
- the right to recover interest under Section 81A of that Act arises only when the local authority has served notice under Section 81A
- the right to recover expenses under Section 5 or 6 of the Prevention of Damage by Pests Act 1949 arises when expenses have been incurred.
- the right to recover expenses under Section 99 of the Building Act 1984 arises when the expense is incurred by the local authority.

Therefore, it is the norm that the right to recover money arises when expense is incurred, but there may be some exceptions to this.

### **10. Which charges should be registered?**



The comments at point 4 (pages 4 - 5) should be considered, together with any other factors affecting the validity of a charge, when considering which charge(s) to register.

Strictly speaking it is only necessary for one charge to be registered pursuant to which a sale can then be effected or in respect of a sale of unregistered property, for the sale to be effected pursuant to one charge. The sale can then proceed and any other outstanding financial local land charges discharged from the proceeds of sale.

The drawback to registering only one charge is that an owner / charge could thwart a proposed sale by discharging the charge registered in which case it will then be necessary, assuming there are other charges capable of registration, to make a further application to register an additional charge or charges.

A minimum fee of £40-50 per charge (assuming the charge is less than £100,000) is required by the Land Registry. Where there are several charges it would avoid excessive registration fees to register only one or two charges. In these cases it may be advisory to register the highest value charges.

## **The Housing and Public Protection Department's Role**

### **1. Identifying Empty Dwellings**

Vacant properties can be identified in a number of ways (subject to Data Protection Act Requirements):

- Council Tax Records
- Empty Property Database
- Other Databases
- Electoral Roll
- Housing Department Records – has anyone been re-housed from this address?
- Other Local Authority Departments
- Neighbours
- Elected Members
- Publicity and awareness campaigns
- Land Registry

The Empty Property officer will keep a record showing where the information came from and any costs incurred.

As soon as a property is identified, it is important that a site visit is made to assess the dwelling and identify any issues that may need addressing by the council.

### **2. Is a property suitable for enforced sale?**

Once a property has been identified and put forward for consideration for Enforced Sale, the two following checks will be considered:

- **Is the property registered at the Land Registry?**

While this isn't essential for carrying out an Enforced Sale, it does make the process more complicated if the property isn't registered (see details in Pages 5-6).

- **Does the property have financial local land charges registered against it?**

Information on this can be obtained from the Land Charges Section of the Corporate and Customer Services Department.

breakdown of labour and material charges.

- Copies of all registered local land charges
- Record of consideration of human rights issues and justification for proceeding with ESP
- Record of consideration of any equalities issues

These are copied and filed with a unique reference number. An account summary sheet will also be produced which shows what is in the file, the notice number and the amount of financial charge in each case. All figures shown should be excluding any interest charged.

The file should also include copies of any ownership details, local land charge details and any correspondence sent or received in relation to the property.

### 3. Compiling a background file

Files will be prepared on an ongoing basis on all empty properties showing all relevant information, all action taken by the Council and any other relevant information. This will be done using the 'CIVICA' system (or equivalent) unless otherwise agreed.

For the purposes of an Enforced Sale, the file must specifically include:

- copies of all statutory notices served prior to the council carrying out the necessary works in default together with details as to how the notices were served.
- the record of service notice form (see point 4, page 4-5).
- the work instructions to the contractor for the work to be carried out.
- All the invoices from the contractors along with a

### 4. Re-service of Notice

Copies of original notices and demands for payment will need to be re-served on the property. This will ensure that an owner of interested party is made aware of the debt and also ensures that there is adequate evidence available. The notices are all served and registered in a defined manner.

In addition, any notices needed to be served under section 81A Environmental Act 1990 are served at this point (see point 7 page 7).

Copies are taken of all the original notices served and then served on the property by hand, and also sent by first class post from an agreed post box to the listed owner and any other interested party of which the Council is aware.

After a period of 28 days if no appeal (as to the Section 81A notice) or payment is made, a notice pursuant to Section 103 of the Law of Property Act is then served. This notice gives the owner three months to repay the debt.

The property cannot be sold until the Section 103 notice has expired, but during this time the procedure is progressed through the various stages as far as possible.

A paragraph can be included in the notices served by environmental health officers when demanding payment of the debt following completion of the works to satisfy the provisions of Section 103 of the Law of Property Act. However, it is felt that to do so might lead the owners or recipients to treat the proposal of a property sale contemptuously.

Therefore, notices pursuant to Section 103 of the Law of Property Act are only served when the charges are not repaid after the 28 day notice expires.

### **The Section 103 notices are divided into two categories**

1. Where notices pursuant to Environmental Protection Act 1990 have been served.
2. Where no notices pursuant to Environmental Protection Act 1990 have been served

(See Appendix 2, page 24 for forms of the various notices)

When serving the notices, a photograph is taken of the property and copies of all notices served and confirmation of the method of service are attached to the background file.

## **5. Authorisation**

The Authority Form is prepared which, together with the background file, is passed to the Housing Strategy & Regeneration Manager for authorisation and signature under his delegated powers. This authority is delegated to him by resolution of the Council.

## **6. The Head of Corporate and Customer Services is instructed**

When the use of the procedure has been authorised by Chief Officer for Housing Regeneration and Strategy Claire Budden, it is returned to the Empty Properties Officer at the Housing Regeneration & Strategy Team.

The Authority Form is attached to the file and forwarded to the Council's Head of Corporate and Customer Services ("HCCS"). At this point an instruction is sent to the Council's Head of Finance debt recovery section to:

- suspend all legal action regarding the debt
- check the account numbers of the outstanding debts to make sure no payments have been received to date.

This is done in order to ensure that the debt has not been repaid in one of any number of ways.

A check will be made to confirm that all statutory notices have been validly served.

## **2. Write to all interested parties**

Assuming the above checks have confirmed that the charges (not necessarily all of them), are still outstanding and notices have been served correctly, a letter is sent to all interested parties on the Land Registry Title Information Document advising them of the position (see Appendix 4, page 26). A letter is also sent to any mortgagee (see Appendix 5 page 27)

By doing this, the owner or any other interested parties are given fair notice of the steps the local authority proposes to take.

It is accepted that in many cases the whereabouts of the owner will be unknown. Even so a letter addressed to the property and any other address(es) is sent in an attempt to notify the owner.

As the steps to be taken are far reaching these steps will help to combat any potential criticism or challenges from an owner or other interested parties. Every attempt is made to give such persons notice of the Council's proposals and ample opportunity to repay the debt.

A period of approximately 21 days is allowed for the persons served to respond. In the event of such failure the next steps are then taken.

## **The HCCS Role – Property Registered**

The following guidelines are to be followed when the property is registered at HM Land Registry. For guidelines when the property has **not** been registered at HM Land Registry please go to page 17.

### **1. What charges are still outstanding and have all notices been served correctly?**

Upon receipt of the file from the Housing Department the first step is to go through the background file making a list of all the charges (See Appendix 3, page 25)

A check is then carried out to find out which charges are still outstanding.

## **3. Registration of charge**

How the charge is registered will depend on the reaction received from the Land Registry (point 6, pages 6-7)

Below is the recommended procedure for registration of a charge with Land Registry Wales:

If there is no response to the letter(s) in point 2 a resolution is prepared. This records:

- the statutory provisions
- the service of necessary notices
- what work was done and when
- the registration of the charge in the register of local land charges (and claims priority over all estates and interests).
- that the Council has all the necessary rights and powers to make the application for registration of the charge(s) and that it has taken all appropriate steps in accordance with the relevant statute.

(See draft resolution applying to the Building Act 1984: Appendix 6, pages 28 – 30)

Resolutions for other statutes can be based on the form of this resolution with the appropriate amendments.

- The resolution is sealed by the Council

- Prepare application for registration form AP1

Provided each charge does not exceed £100,000 the current registration fee is £40 - £50 per charge

- Prepare a form SC

This is necessary to claim priority in favour of the Council's charge over any existing charge and registered against the title.

- Make application for registration at HM Land Registry

The completed AP1 application form is sent to the Land Registry together with:

- covering letter
- the sealed and dated resolution together with a certified copy of each resolution
- completed form SC

(See sample application for registration: Appendix 6, pages 28 – 30)

#### **4. Charges are registered**

Notification is received from the Land Registry on completion of the registration. Arrangements are then made for the sale of the property (see part 5 of this procedure commencing on page 18).

At this point:

- a check is made that the charges have not been discharged
- letters are sent to the owners and interested parties advising that the Council's charges are registered and it is the Council's intention to pursue a sale of the property. This gives the owner and interested parties notice of the Council's intentions so that they cannot claim steps were not taken to notify them (See Appendices 4 -5, pages 26 - 27)

- the background file is returned to the Head of Housing and Public Protection Officer who is advised that the registration has been completed and is requested to consider how a sale is to be effected (see point 1 page 19)

## **2. Check that the property is not registered**

Assuming the check in point 1 above has confirmed that the charges, or at least some of them, are still outstanding, and that notices have been validly served, a search of the index map is undertaken at the Land Registry to ensure that the property is not registered. The search also includes the adjoining properties; if they are registered, this might reveal what incumbrances affect the property and also that extent / limits of the title of the property in question.

## **3. Try to ascertain what incumbrances affect the property**

Using any information found as a result of the investigations in point 2 above and any information available as to the name(s) of the owner, the purported owner or any other interested party – a Land Charges Act 1972 search is carried out against the name of any such person(s) and the property concerned. This may give some clues as to incumbrances affecting the property, e.g. easements, covenants and charges.

## **The HCCS Role – Property not registered**

The following guidelines are to be followed when the property is **not** registered at HM Land Registry. For guidelines when the property **is** registered at the Land Registry please go to page 14.

### **1. Are the charges still outstanding?**

A check is made that the charges have not been repaid and notices have been validly served (see point 1, page 14).

Where the statutory charge binds all estates and interests in the property – any registered charges will be of no great significance (other than for the purposes of giving notice to any charge as to the Council's intentions).

However, where this is not the case it will be paramount importance to ascertain if any prior charges affect the property (see point 3, page 4). If the statutory charge does not bind all the estates and interests, it would be inadvisable to proceed with the procedure until it is certain there are no prior charges and the statutory

charge binds all freehold or long leasehold.

As stated in point 2, if any of the adjoining properties are registered it may be possible to ascertain what incumbrances affect the same. This may give a purchaser some clues as to the matters affecting the property and make the property more marketable.

The alternative is that no such steps are taken and the purchaser is made aware, via the contract terms, that such is the case.

In both cases though, the contract for sale will need to contain special conditions covering the position. (see Appendix 10, Pages 34 - 39).

#### **4. Write to all interested parties**

If the searches provide any information as to the identity or whereabouts of the owner of other interested parties in a similar manner to that as outlined (see point 2, page 14). Letters are also sent to the property addressed to 'the owner' or owners and all parties interested',

If you can obtain possession of the title deeds this will assist with the disposal.

#### **5. Enquiries Completed**

Once the investigations in point 1, 2 and 3 above have been completed and there has been no reply to any letters sent, as referred to in point 4 above, the file is returned to the HHPP in order that the property can be put forward for sale.

Once the method of disposal is known, a letter is sent to interested parties (see Appendix 7, page 31).

### **Selling the Empty Property**

#### **1. Methods of selling the empty property**

##### **Auction**

Whatever the preferred method of sale, the same rules apply to a sale under the ESP as to any other sale of a property by a mortgagee. Reasonable care needs to be taken to obtain a proper price for the property.

Sale of the property through auction is considered to be the most expedient method of disposal and generally a mortgagee can safely accept the highest bid for a property described and advertised in a properly publicised auction.

##### **Sale by private treaty to a Registered Social Landlord**

Apart from the objective of recovering a debt, the renovation or improvement of a property is also a major factor. A sale by auction or on the open market does not guarantee a property will be improved. A sale to a registered social

landlord will probably have the desired effect and may also influence or enable several properties to be renovated as a scheme of demolition and redevelopment to be implemented.

It may therefore be agreed to sell, where appropriate to a registered social landlord by private treaty without full exposure to the property market.

There is an obvious risk in taking this course of action due to the Council's legal obligation to obtain a proper price for the property. In order to reduce the risk, Flintshire County Council and the Registered Social Landlord will arrange for an independent valuation to be carried out on the property to determine the sale price.

It is anticipated this will give the Council a reasonable defence to any claim by an owner that the property has been sold at less than its value.

## **2. Valuation**

Whatever the method of sale, a valuation will also be undertaken by the HAED. Once the Housing Strategy and Regeneration Manager has been advised that the charges have been registered against the title and / or that the property can be put forward for sale, the Head of Housing and Public Protection will instruct the Head of Assets and Economic Development accordingly.

## **3. Role of HAED**

The HAED will undertake the valuation of the property and consider how the sale is to be effected in accordance with the Council's Property Procedures and Standards Policy (where appropriate). Although it is recognised that properties sold under the ESP are not council assets, the Property Procedures and Standards Policy is good practice which should be followed wherever possible. Once the

method of sale and sale price and purchaser (where the property is not being sold at auction) have been determined, the HAED will instruct the HCCS to commence the appropriate conveyancing process.

## **4. Contract**

### **Registered Property**

The contract for sale will be prepared by Legal Services and will be similar to a contract for sale by a mortgagee in possession.

### **Unregistered property**

There will probably be no deeds or details of any incumbrances affecting the property and the contract for sale needs to reflect this (see Appendix 10, pages 34 – 39 for a form of suggested special condition of sale).

In such cases the form of the resolution prepared in respect of registered land (see point 4, page 16) is incorporated in the contract as a recital as a convenient method of settling out where the Council's power to sell is derived from and to assist with the purchaser's application for first registration.

Additionally, on completion of the sale the Land Registry will require the Council to provide a letter containing certification by the Council that it has all the necessary rights and powers to dispose of the property and that it has taken all appropriate steps in accordance with the relevant statute (a draft of such letter is contained in Appendix 13, page 42). This contains the same certification as the resolution referred to above.

It will be necessary to make the purchaser's solicitor aware that the letter needs to be submitted with their clients' application for first registration.



## 5. Title

Where the title deeds have not been recovered the following should be borne in mind.

**Registered Title** – copies of the document referred to on the title can usually be obtained from the Land Registry. Where they are not available, an appropriate clause must be included in the contract to cover the position. Whilst it is not the practice of the Land Registry to supply copies of registered leases, it may be possible for Land Registry Wales to do this.

**Unregistered Title** – As stated in point 3 (page 19 – 20), there will probably be no deeds or details of the encumbrances affecting the property.

## 6. Are the charges still outstanding?

Immediately prior to auction / exchange of contracts, a further check is made to ascertain whether the charges have been paid.

A conveyancing process will then be undertaken in order to achieve completion of the sale, depending on the method of sale.

## 7. Post sale

The position is similar to a sale by a mortgagee in possession. Fees are deducted from the proceeds of sale that cover the costs of selling the property and the original debts.

The following fees can be deducted following the sale of a property:

- auctioneer's fee
- independent valuation fee
- legal fees
- surveyor's fee
- Housing Department administration fee

If the debts are greater than the proceeds of sale, it will be necessary to consider which fees (if any) have first call on the proceeds or not. It is recommended that external fees – auctioneers, independent valuation etc are prioritised, with internal fees waived if necessary. Where the proceeds do not cover the total costs of the sale and the outstanding debt (including interest), the remaining debt will be taken off the property and placed against the owner of the property prior to the enforced sale being implemented. This then takes the form of a personal debt, which may be pursued in the normal manner, if economically viable.

If there is any balance from the sale, and the Council is aware of the whereabouts of the owner / the person first entitled, the balance is paid over in the usual way. If the whereabouts of the owners is unknown, the money can be paid into Court.

Alternatively, the money can be held in an interest bearing account so that if the person first entitled comes forward, the money can be paid over.

As these monies will be held on the trusts provided for by Section 105 of the Law of Property Act 1925, the Limitation Act 1980 does not apply and, therefore, a claim by a person entitled to recover the surplus proceeds of sale from the Council, or their personal representative, will never become statute barred. Accordingly, the Council will need to continue to hold the moneys on trust indefinitely.

It is, therefore, a matter of choice whether the proceeds of sale are held as above or, as an alternative, the proceeds of sale are paid into Court under Section 63 of the Trustee Act 1925. It is recognised that payments into County by Trustees is discouraged but where a beneficiary cannot be

found a payment into Court can be justified.

**Appendix 1 – Table to list relevant statutes**

<b>Statute</b>	<b>Service</b>	<b>Priority Charge</b>
<b>Environmental Protection Act 1990</b> Sec. 80 (statutory nuisance)	Public Health Housing Standards	
<b>Building Act 1984</b> Sec. 59 (block/defective drain) Sec. 60 (soil pipes) Sec. 76 (defective premises) Sec. 77/78 (dangerous building) Sec. 79 (disrepair of property affecting the area) Sec.84 (yards)	Building Control Housing Standards Public Health	
<b>Housing Act 2004</b> Sec. 11 (Improvement Notice Category 1) Sec.12 (Improvement Notice Category 2) Sec. 40(2) (emergency remedial action) Sec. 49 (power to charge for certain enforcement action)	Housing Standards	
<b>Local Government (Misc. Provs) Act 1976</b> Sec. 33 (restoration or services) Sec. 35 (private sewer)	Public Health Housing Standards	
<b>Local Government (Misc. Provs) Act 1982</b> Sec. 29 (boarding up)	Housing Standards	
<b>Planning (Listed Buildings and Conservation Areas) Act 1990</b> Sec. 48 (repairs notice) Sec. 54 (urgent works)	Conservation	
<b>Prevention of Damage by Pest Act 1949</b> Sec. 4 (rats or mice infestation)	Public Health	
<b>Public Health Act 1936</b> Sec. 45 (works to closets) Sec. 83 (Filthy or verminous)	Public Health	
<b>Public Health Act 1961</b> Sec. 17 (un-block drain) Sec. 34 (remove waste from property)	Public Health	
<b>Town &amp; Country Planning Act</b> Sec. 215 (untidy land or property)	Planning	

**Appendix 2 – Suggested form of  
Notice under Section 81A  
Environmental Protection Act 1990  
relating to Property**



**ENVIRONMENTAL PROTECTION ACT 1990  
Section 81**

**NOTICE AS TO RECOVERY OF EXPENSES**

To<sup>(1)</sup> [NAME]

of [CONTACT ADDRESS]

**1** On <sup>(2)</sup> the<sup>(3)</sup> Flintshire County Council ("the Council") served on you an Abatement Notice in respect of a statutory nuisance under section 79 of the Environmental Protection Act 1990 ("the Act") at<sup>(4)</sup>

**2** The Abatement Notice [required you within from the service of that notice to abate the nuisance] [[and also] [prohibited] [restricted] the [occurrence] [recurrence] of the nuisance] [and for that purpose required you to<sup>(5)</sup>

]

**3** The said Abatement Notice was not complied with [within the period specified] and the Council has therefore [abated] [prevented the recurrence of] the nuisance [and for that purpose has<sup>(6)</sup>

**4** In doing so the Council has incurred expenses amounting to £ and, in accordance with section 81(4) of the Act, **HEREBY REQUIRES YOU TO PAY** that sum to the Council.

**[5** Such expenses shall carry interest at the rate of % per from the date of service of this notice until the whole amount is paid and, subject to the provisions of section 81(A) of the Act, the expenses and any interest shall be a charge on the premises known as

]

**[6** Your attention is drawn to the provisions of section 81A(4) to (6), which are set out overleaf.]

**[7** The expenses referred to in paragraph 4 above, together with any interest accrued, may be paid by instalments within a period of<sup>(7)</sup> from the date of service of this notice, until the whole amount is paid.]

Dated:

Signed .....  
*For Housing Regeneration and Strategy Manager*

Please address any communications to:

Flintshire County Council, Housing Regeneration and Strategy Chapel Street, Flint, Flintshire CH6 5BD

Delete any words in brackets which do not apply

**Paragraphs 5, 6 and 7 apply only where the expenses are recoverable from the owner of any premises which were the subject of the Abatement Notice.**

- (1) This notice must be given to the person by whose act or default the nuisance was caused and, if that person is the owner of premises which were the subject of the Abatement Notice, on any person who is for the time being the owner thereof. Where the expenses are recoverable from such owner, on the date on which the authority serves such person with this notice it shall also serve a copy on every other person who, to the knowledge of the authority, has an interest in the premises capable of being affected by a charge on the premises.
- (2) Insert date of the Abatement Notice. (3) Insert name of local authority (4) Insert address of premises (or if under s.79(ga), name of street). (5) Set out any requirements specified in the Abatement Notice. (6) Specify anything done by the Council in execution of the Abatement Notice. (7) This must be a period of thirty years or less. **Sections 81, 81A and 81B of the Environmental Protection Act 1990 provide as follows:**

#### Section 81

- (3) Where an abatement notice has not been complied with the local authority may, whether or not they take proceedings for an offence under section 80(4) above, abate the nuisance and do whatever may be necessary in execution of the notice.
- (4) Any expenses reasonably incurred by a local authority in abating, or preventing the recurrence of, a statutory nuisance under subsection (3) above may be recovered by them from the person by whose act or default the nuisance was caused and, if that person is the owner of the premises, from any person who is for the time being the owner thereof; and the court may apportion the expenses between persons by whose acts or defaults the nuisance is caused in such a manner as the court consider fair and reasonable.

#### Section 81A

- (1) Where any expenses are recoverable under section 81(4) above from a person who is the owner of the premises there mentioned and the local authority serves a notice on him under this section:-
- (a) the expenses shall carry interest, at such reasonable rate as the local authority may determine, from the date of service of the notice until the whole amount is paid, and
- (b) subject to the following provisions of this section, the expenses and accrued interest shall be a charge on the premises.
- (2) A notice served under this section shall –
- (a) specify the amount of the expenses that the local authority claims is recoverable,
- (b) state the effect of subsection (1) above and the rate of interest determined by the local authority under that subsection; and
- (c) state the effect of subsections (4) to (6) below
- (3) On the date on which a local authority serves a notice on a person under this section the authority shall also serve a copy of the notice on every other person who, to the knowledge of the authority, has an interest in the premises capable of being affected by the charge.
- (4) Subject to any order under subsection 7(b) or (c) below, the amount of any expenses specified in a notice under this section and the accrued interest shall be a charge on the premises –
- (a) as from the end of the period of twenty-one days beginning with the date of service of the notice, or
- (b) where an appeal is brought under subsection (6) below, as from the final determination of the appeal, until the expenses and interest are recovered.
- (5) For the purposes of subsection (4) above, the withdrawal of an appeal has the same effect as a final determination of the appeal.
- (6) A person served with a notice or copy of a notice under this section may appeal against the notice to the county court within the period of twenty-one days beginning with the date of service.

#### Section 81B

- (1) Where any expenses are a charge on premises under Section 81A above, the local authority may by order declare the expenses to be payable with interest by instalments within the specified period, until the whole amount is paid.
- (3) Subject to subsection (5) below, the instalments and interest, or any part of them, may be recovered from the owner or occupier for the time being of the premises.
- (4) Any sums recovered from an occupier may be deducted by him from the rent of the premises.
- (5) an occupier shall not be required to pay at any one time any sum greater than the aggregate of –

- (a) the amount that was due from him on account of rent at the date on which he was served with a demand from the local authority together with a notice requiring him not to pay rent to his landlord without deducting the sum demanded, and
- (b) the amount that has become due from him on account of rent since that date.

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## Appendix 4 – Draft letter to Owner / Liable Parties

Dear

Re: Property.....

Flintshire County Council has been made aware of the above empty property.

The Council has, pursuant to its statutory powers, carried out certain works to the above property, the costs of which have been registered in Part 2 of the Register of Local Land Charges as financial charges.

Despite continued efforts to secure repayment of these charges, no settlement has been forthcoming. As a result of this the Council now intend to register the financial charges against the title of the property. Thereafter the Council may exercise its power of sale over the property and apply the proceeds of sale towards the discharge of the debt due to the Council.

If you wish to repay the outstanding debt due to the Council I will provide details of the outstanding amounts.

If you wish to discuss this matter further please do not hesitate to contact me.

Yours faithfully





**Appendix 6 – Draft resolution applying to Section 76,  
Building Act 1984**

**Premises:**

**Building Act 1984**

**Flintshire County Council**

1. **WHEREAS** the Council the Flintshire County Council is a 'local authority' within the meaning of S.126 of the Building Act 1984 ('the Act').
2. **AND WHEREAS** a local authority, if it considers that any premises are in such a state as to be prejudicial to health or a nuisance, and unreasonable delay in remedying that defective state would be occasioned by following the procedure prescribed by S.80 of the Environmental Protection Act 1980 may, under S76 of the Act, serve notice on the owner or occupier of those premises stating that the local authority intended to remedy the defective state and may do so, subject to there being no counter-notice served by the owner or occupier.
3. **AND WHEREAS** a notice under Section 76 of the Act is to be served in accordance with Section 94 of the Act.
4. **AND WHEREAS** the expense of such works may, by virtue of Subsection (2) of S.76 of the Act, be recovered from the owner or occupier of the premises and such expense plus interest thereon, by virtue of S.107 of the Act, from the date of completion of the works shall, until recovered, be a charge upon the premises and all estates and interests in them and gives a local authority, for the purposes of enforcing such a charge, all the powers and remedies under the Law of Property Act 1925 and otherwise as if they were mortgagees by deed.
5. **AND WHEREAS** such charge is, by virtue of S.1 (1) (a) of the Local Land Charges Act 1975, to be registered as a local land charge.
6. **AND WHEREAS** under S.7 of the Local Land Charges Act 1975 a local land charge falling within the aforementioned S.1(1)(a) takes effect as if it has been created by deed of charge by way of legal mortgage within the meaning of the Law of Property Act 1925, but without prejudice to the property of the charge.
7. **AND WHEREAS** S.101 of the Law of Property Act 1925 provides that a mortgagee by deed shall have inter alia the power of sale of the property so mortgaged.
8. **AND WHEREAS** pursuant to a notice dated [ ] Flintshire County Council gave notice to the owner or owners of the property known as [ ] ('the Premises') under Section 76 of the Act by serving the notice in accordance with Section 94 of the Act by

**ALTERNATIVE 1** addressing the notice to [ ] and delivering it to that person **and / or**

**ALTERNATIVE 2** addressing the notice to [ ] and leaving it or sending it in a prepaid letter addressed to that person at [ ] being the usual or last known residence of that person **and / or**

**ALTERNATIVE 3** addressing the notice to the Secretary or Clerk of [ Limited] at [ ] being registered or principal office of [ Limited] and delivering it or sending it in a prepaid letter to that address **and / or**

**ALTERNATIVE 4** (if not being practicable after reasonable inquiry having been made to ascertain the name and address of the person to or on whom the notice should be given or served) addressing the notice to the owner or owners of the Premises (naming the Premises) and either delivering it to some person on the Premises or (there being no person on the Premises to whom it can be delivered) affixing the notice or a copy of it to some conspicuous part of the Premises.

**ALTERNATIVE 5** (the Premises at the date such notice is given or served being unoccupied) addressing the notice of the owner or owners of the Premises (naming the Premises) and affixing the notice or a copy of it to some conspicuous part of the Premises stating that Flintshire County Council intended to remedy the defective state of the Premises after the expiration of [ ] days from the date of service of the notice by carrying out the following works;

].

9. **AND WHEREAS** there being no counter-notice served upon Flintshire County Council within the period prescribed by S.76(3) of the Act, that Flintshire County Council executed the said works between the [date] and the [date] at a cost to Flintshire County Council of £ .
10. **AND WHEREAS** on the [date] Flintshire County Council registered the cost of the works in Part II of the Flintshire County Council Local Land Charges Register as a specific financial charge against the Premises such charge attracting interest at such a rate from time to time applying.
11. [Repeated for further charges] **AND WHEREAS** pursuant to a notice dated [ ] Flintshire County Council gave notice to the owner or owners of the property known as [ ] ('the Premises') under Section 76 of the Act by serving the notice in accordance with Section 94 of the Act by

**ALTERNATIVE 1** addressing the notice to [ ] and delivering it to that person **and/or**

**ALTERNATIVE 2** addressing the notice to [ ] and leaving it or sending it in a prepaid letter to that person at [ ] being the usual or last residence of that person **and/or**

**ALTERNATIVE 3** addressing the notice to the Secretary or Clerk of [ Limited] at [ ] being the registered or principal office of [ ] and delivering it or sending it in a prepaid letter to that address **and/or**

**ALTERNATIVE 4** (it not being practicable after reasonable inquiry having been made to ascertain the name and address of the person to or on whom the notice should be given or served) addressing the notice to the owner or owners of the Premises (naming the Premises) and either delivering it to some person on the Premises or (there being no person on the Premises to whom it can be delivered) affixing the notice or a copy of it to some conspicuous part of the Premises.

**ALTERNATIVE 5** (the Premises at the date such notice is given or served being unoccupied) addressing the notice to the owner or owners of the Premises (naming the Premises) and affixing the notice or a copy of it to some conspicuous part of the Premises stating that Flintshire County Council intended to remedy the defective state of the Premises after the expiration of [9] days from the date of service of the notice by carrying out the following works:

12. **AND WHEREAS** there being no counter-notice served upon Flintshire County Council within the period prescribed by S.76(3) of the Act, Flintshire County Council executed the said works between the [date] and the [date] at a cost to the Council of [£ ].
13. **AND WHEREAS** on the [date] that Flintshire County Council registered the cost of the works in Part II of the Flintshire County Council Local Land Charges Register as a specific financial charge against the Premises such charge attracting interest at such a rate from time to time applying.
14. **AND WHEREAS** the said monies continue to remain outstanding.

Flintshire County Council, being now desirous of exercising their aforementioned power of sale over the Premises to recover the costs they have incurred in relation thereto,

**1. HEREBY RESOLVES**

1(i) to make application to the Land Registry Wales under the land Registration Act 1925 to register its charge against the Premises.

1(ii) to claim affirm and avow in said application the binding nature of Flintshire County Council's charge on all estates and interests in the Premises and the priority of Flintshire County Council's charge over all existing and future charges affecting each and every title in the Premises (whether or not they be registered)

1(iii) to affix the Flintshire County Council seal hereto.

**2. HEREBY CERTIFIES to HM Land Registry**

2 (i) as recited in paragraph 4 of this resolution the Act contains provisions conferring a charge on the Premises and on all estates and interests therein

2 (ii) as further recited in paragraph 4 of this resolution the Act confers on Flintshire County Council all the powers and remedies under the Law of Property Act 1925 and otherwise as if it is a mortgage by deed.

2 (iii) Flintshire County Council has followed the procedure in the Act as to service of notices and the carrying out of the works

2 (iv) the charge(s) for which an application for registration is made pursuant to 1(i) above affect(s) the whole property known as [ ] and registered under the title number(s) [ ]

2(v) as recited in paragraph(s) 10 and 13 of this resolution for which an application for registration is made pursuant to 1(i) hereof was/were registered in Part 2 of the Flintshire County Council Register of Local Land Charges on the [ ] and the [ ]

Dated this day of [Year]

THE COMMON SEAL OF FLINTSHIRE  
COUNTY COUNCIL was  
hereunto affixed in the presence of:

Housing Regeneration & Strategy Manager

**Appendix 7 – Sample Letter to HM Land Registry enclosing Application for registration**

Dear Sir

Application for Substantive Registration of Financial Local Land Charges as Charges created by Deed in respect of:

Title Number:.....

Property:.....

In enclose duly completed Form AP1 and the documents contained in the List of Documents referred to therein at Section 4.

The Council is thereby making application to register the financial Local Land Charges as if they have been created by Deed as referred to in the sealed resolutions mentioned on the said List of Documents. Such registration should, by virtue of the legislation referred to in those resolutions, be registered (where relevant) in priority to any other charges presently registered against that title. (For that purpose I also enclose a completed Form SC.)

I look forward to hearing from you.

Yours faithfully

**Appendix 8 – Sample Application for registration (Forms AP1 + SC )**

To be included

**Appendix 9 – Letter to Owner / First Mortgagee advising of Council’s intentions to sell**

Dear Sirs

Re: Property: .....

Your charge dated: .....

I refer to the above and my letter dated requesting the Title Deeds and advising you of the Council’s statutory powers in relation to the charges outstanding in respect of the above property.

In that letter I advised you that the Council has the power to sell the above property, for the purposes of enforcing the charge, and to deduct from the proceeds of sale the debts due to Flinthire County Council.

The Council’s charge has now been registered at HM Land Registry and it is now the Council’s intention to market the property with a view to a sale thereof.

Yours faithfully

Housing Strategy and Regeneration Manager

## Appendix 10 – Suggested Special Conditions

### Building Act 1984 (Section 76) Charge – Unregistered Property

#### 1. The Property

All that property situate at and known as [ ] in the County of Flintshire shown for identification purposes only edged red on the attached plan

#### 2. Recitals

**2.1 WHEREAS** the Vendor is a 'local authority' within the meaning of S.126 of the Building Act 1984 ('the Act') and the steps taken by the Vendor as referred to in these recitals were taken in their capacity as a local authority within the meaning of the Act.

**2.2 AND WHEREAS** a local authority, if it considers that any premises are in such a state as to be prejudicial to health or a nuisance, and reasonable delay in remedying that defective state would be occasioned by following the procedure prescribed by S.80 of the Environmental Protection Act 1980, may under S.76 of the Act, serve notice on the owner or occupier of those premises stating that the local authority intend to remedy the defective state and may do so, subject to there being no counter-notice served by the owner or occupier.

**2.3 AND WHEREAS** a notice under Section 76 of the Act is to be served in accordance with Section 94 of the Act.

**2.4 AND WHEREAS** the expense of such works may, by virtue of Subsection (2) of S.76 of the Act, be recovered from the owner or occupier of the premises and such expense plus interest thereon, by virtue of S.107 of the Act, from the date of completion of the works shall, until recovered, be a charge upon the premises and all estates and interests in them and give a local authority, for the purposes of enforcing such a charge, all the powers and remedies under the Law of Property Act 1925 and otherwise as if they were mortgagees by deed.

**2.5 AND WHEREAS** such charge is, by virtue of S.1 (1)(a) of the Local Land Charges Act 1975, registerable as a local land charge.

**2.6 AND WHEREAS** under S.7 of the Local Land Charges Act 1975 a local land charge falling within the aforementioned S.1 (1)(a) takes effect as if it had been created by deed of charge by way of legal mortgage within the meaning of the Law of Property Act 1925, but without prejudice to the priority of the charge.



**2.7 AND WHEREAS** S.101 of the Law of Property Act 1925 provides that a mortgagee by deed shall have inter alia the power of sale of the property so mortgaged.

**2.8 AND WHEREAS** pursuant to a notice dated [ ] the Vendor gave notice to the owner or owners of the Property (in these recitals described as 'the Premises') under Section 76 of the Act by serving the notice in accordance with Section 94 of the Act by

**ALTERNATIVE 1** addressing the notice to [ ] and delivering it to that person **and/or**

**ALTERNATIVE 2** addressing the notice to [ ] and delivering is to that person **and/or**

**ALTERNATIVE 3** addressing the notice of the Secretary or Clerk of [ Limited] at [ ] being registered or principal office of [ Limited] and delivering it or sending it in a prepaid letter to that address **and/or**

**ALTERNATIVE 4** (if not being practicable after reasonable inquiry having been made to ascertain the name and address of the person to or on whom the notice should be given or served) addressing the notice to the owner or owners of the Premises (naming the Premises) and either delivering it to some person on the Premises or (there being no person on the Premises to whom it can be delivered) affixing the notice or a copy of it to some conspicuous part of the Premises.

**ALTERNATIVE 5** (the Premises at the date such notice is given or served being unoccupied) addressing the notice to the owner or owners of the Premises (naming the Premises) and affixing the notice or a copy of it to some conspicuous part of the Premises stating that the Vendor intended to remedy the defective state of the Premises after the expiration of [9] days from the date of service of the notice by carrying out the following works:

**2.9 AND WHEREAS** there being no counter-notice served upon the Vendor within the period prescribed by S.76 (3) of the Act, the Vendor executed the said works between the [ ] and the [ ] at a cost to the Vendor of [£ ].

**2.10 AND WHEREAS** on the [date] the Vendor registered the cost of the works in Part II of the Flintshire County Council Local Land Charges Register as a specific financial charge against the Premises such charge attracting interest at such a rate from time to time applying.

**2.11 AND WHEREAS** the expenses incurred by the Vendor as referred to in Recital 2.9 have become a charge on the Premises by virtue of Section 107 of the Act as more particularly referred to in Recital 2.4 and the said expenses continue to remain outstanding.

### **3. Title**

- 3.1** The title of the Property is unregistered and the Vendor does not have in its possession any of the title deeds or documents relating to the Property and the Purchaser shall raise no requisition thereon or objections thereto and shall not be entitled to postpone or delay completion as a result thereof.
- 3.2** The Vendor cannot produce an up-to-date receipt in respect of any yearly rent (if any) payable on the Property nor any other evidence that any such rent has been paid to date (and in which respect the Vendor shall not be liable for any arrears such rent up to the date of Actual Completion and which liability the Purchaser will assume on Actual Completion) and the Purchaser shall raise no requisition nor be entitled to delay or postpone completion as a result thereof.
- 3.3** The Purchaser purchases with full knowledge of the fact that on first registration of the title to the Property at HM Land Registry the Chief Land Registrar will make an entry against such title on the following (or similar terms) and the Purchaser shall make no claim or demand against the Vendor in regard thereto:

“the Property is subject to such restrictive covenants and to such rent charges as may have been imposed thereon before [date of application for first registration] and are still subsisting and capable of taking effect”

### **4. Possession**

Vacant possession of the Property will be given to the Purchaser on Actual Completion.

### **5. Covenants for Title**

- 5.1** The Vendor is selling all the estates and interests in the Property as are bound by the Charge(s) arising under Section 107 of the Building Act 1984 as referred to Recital 2.11 of these Special Conditions but freed and discharged from the said Charge(s)
- 5.2** Section 1 to 9 of the Law of Property (Miscellaneous Provisions) Act 1994 shall not apply to this Agreement and the Transfer of the Property to the Purchaser (‘the Transfer’) and the Transfer shall contain the following provisions:
- 5.2.1.** In consideration of £ [naming the amount of the consideration] (receipt of which is acknowledged) the Vendor transfers the Property to the Purchaser.

**5.2.2** The parties agree and declare that the covenants by the Vendor implied by Section 1 to 9 of the Law of Property (Miscellaneous Provisions) Act 1994 shall not apply to this transfer

## **6. Matters affecting the Property**

The Property is sold subject to and (as the case may be) with the benefit of:

- 5.1** all rents rights exceptions and reservations and covenants and conditions provisions and agreements and declarations or otherwise as subsist and relate to the Property without any obligation or liability on the part of the Vendor (whether as a result of its inability to produce the title deeds or documents to the Property or otherwise) to define or provide details of the same
- 5.2** all Local Land Charges whether registered or not before or after the date hereof and all matters capable of being registered as such
- 5.3** all notices served and orders demands proposals or requirements made by any local or public authority whether before or after the date hereof
- 5.4** all actual or proposed orders directions notices charges restrictions conditions agreements or other matters arising under the town and country planning legislation and environmental law
- 5.5** all covenants exceptions and reservations of whatever nature all rights of way light air and other rights easements quasi easements liabilities and public or private rights whatever and to any liability to repair or contribute to the repair of sewers drains fences or other like matters as the Purchaser shall have notice of or shall be apparent on inspection of the property.

## **6. Indemnity covenant by the Purchaser**

The Transfer will contain a covenant by the Purchaser with the Vendor that the Purchaser and its successors in title will henceforth observe and perform all such matters subject to which the property is expressed to be sold in Clause 6.1 of these Special Conditions the breach of which would or could expose the Vendor to liability (either direct or indirect) and will contain an indemnity by the Purchaser in favour of the Vendor against all actions proceedings costs claims and demands which may be made against the Vendor in connection with the breach non-performance or non-observance of the same.

## **7. Subsales**

The Vendor will not be required to execute a Transfer of the property to any person other than the Purchaser and in one parcel and by one transfer.

## **8. General Conditions**

**8.1** 'The General Conditions' means the Standard Conditions of Sale (Fourth Edition)

**8.2** The General Conditions are deemed to be incorporated herein so far as the same are applicable to a sale by private treaty and are not varied by or inconsistent with these Special Conditions and the 'contract rate' will be four per cent (4%) per annum above the Base Rate for the time being of the Nat West Bank plc.

**8.3** The General Conditions are amended as follows:

**8.3.1** Standard Conditions 2.2.5 and 2.2.6 shall not apply and the Deposit shall be paid to the Vendor's Solicitor as agent for the Vendor.

**8.3.2** In Standard Condition 3.1.2 subclause (c) the words "and could not reasonably" shall be deleted

**8.3.3** Standard Condition 3.4 shall not apply

**8.3.4** Standard Condition 4.6.2 shall not apply

**8.3.5** Standard Condition 5.1.1 shall not apply and the buyer assumes the risk when the contract is made.

**8.3.6** Standard Condition 5.1.2 shall not apply and the buyer must buy the Property whatever the physical state it is in at completion

**8.3.7** Standard Condition 5.2.2 (b), 5.2.2. (e), 5.2.2.(g) shall not apply

**8.3.8** Standard Condition 5.2.3 shall not apply

**8.3.9** Standard Condition 5.2.7 shall not apply

**8.3.10** In Standard Condition 5.2.2 (f) the words "not change its use and is to comply with all statutory obligations relating to the property and indemnity the seller against all liability arising as a result of any breach of such obligation" shall be added at the end

**8.3.11** In Standard Condition 7.1.1 the words "or in negotiations leasing to it" and "or was" shall be deleted.

**8.3.12** Standard Condition 7.3.2 shall be deleted and the following substituted:

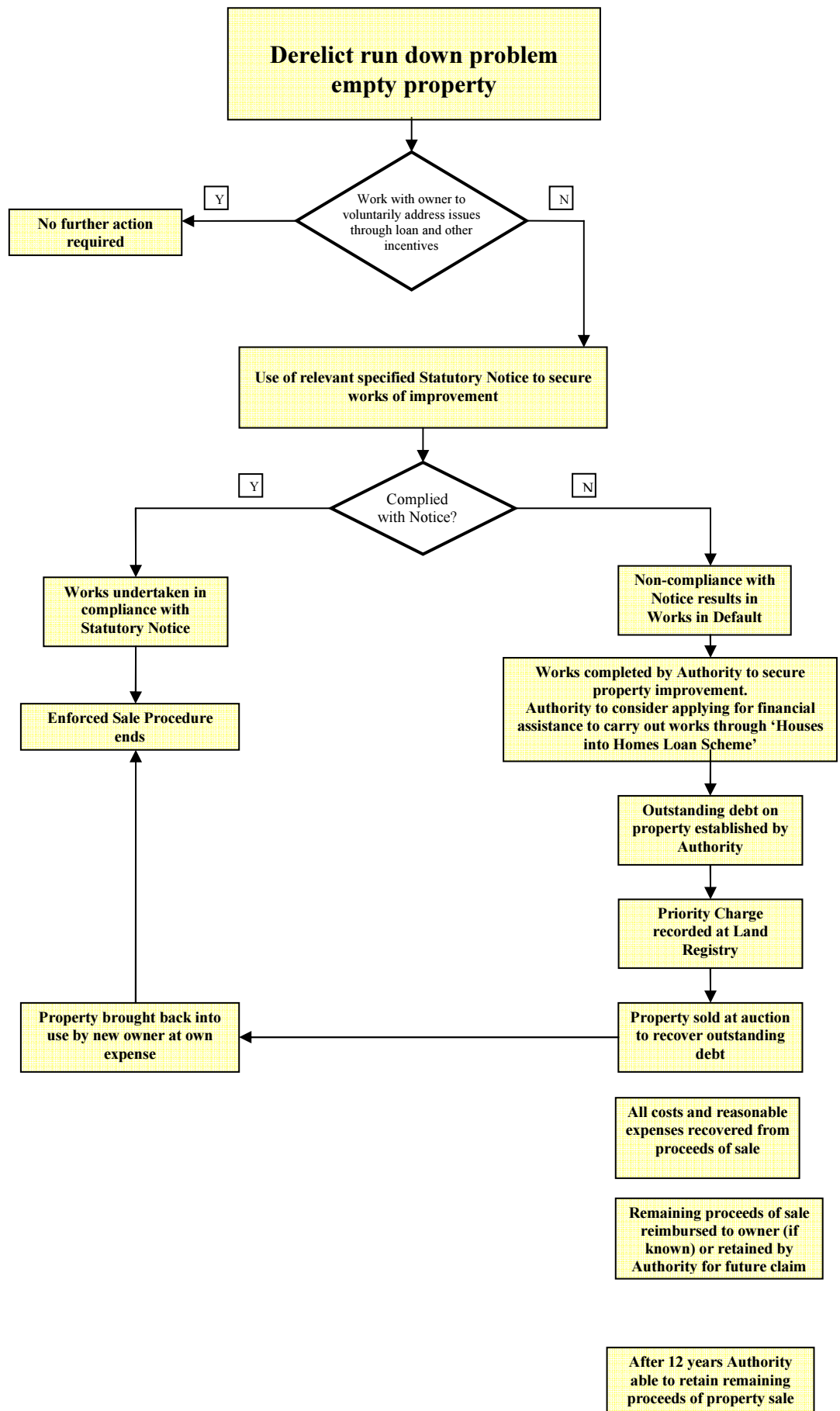
Compensation is calculated at the contract rate on all sums payable under the contract (other than pursuant to Standard Condition 6.3) for the period between the completion date and actual completion.

## **9. Non-merger**

The contract will not merge in the Transfer on completion but will continue in full force and effect in relation to any matters outstanding at completion.



## Appendix 11 – Flow Chart



**12 – Record of Service of Notice**

**RECORD OF SERVICE OF NOTICE  
THE PREVENTION OF DAMAGE BY PESTS ACT 1949  
AND THE BUILDING ACT 1984**

PROPERTY: (‘the Property’)

1. ....confirm that I have given / served a notice in respect of the Property under the Prevention of Damage by Pests Act 1949, Building Act 1984 and certify that:

(a) Property unoccupied – registered / unregistered title

The Property was at the date of giving / service of the said notice, unoccupied and the notice was served by addressing it to the owner or occupier of the Property and affixing it, or a copy of it, to some conspicuous part of the Property and a notice was also given / served by *[detail any other method of service]*

Signed:.....

Designation:.....

Date:.....

**Appendix 13 – Letter to Land Registry  
in respect of unregistered property**

Dear Sir

Property:

I refer to the above property which has today been transferred by the Council under the Enforced Sale Procedure.

In accordance with the procedure agreed with you I, on behalf of the Council and being duly authorised to DO so, hereby certify that:

1. as recited in clause [ ] of the Contract for Sale dated [ ] the Act (as referred to therein) contains provision conferring a charge on the Premises and all estates and interests therein.

2. as further recited in clause [ ] of the said Contract for Sale the Act confers on the Council all the powers and remedies under the Law of Property Act 1925 and otherwise as if they were mortgagee by deed.

3. the Council has followed the procedure in the Act as to service of notice and the carrying out of the works.

4. the charge(s) pursuant to which the Council has disposed of the property affect(s) the whole of the property known as [ ] today disposed of by the Council.

5. as recited in clause [ ] of the Contract for Sale the charge(s) pursuant to which the Council has disposed of the property was / were registered in part 2 of the Register of Local Land Charges on the [ ]

Yours faithfully

For Housing Regeneration & Strategy Manager



**Appendix 14 – Authority Form**

Flintshire County Council

Authority to Use Enforced Sales Procedure

Premises:

I, Gavin Griffith, Housing Regeneration and Strategy Manager, having considered the information contained in the background file attached, hereby authorise, in accordance with powers delegated to me, the enforced sale of the above Premises in accordance with the Council's Enforced Sales Procedure.

Signed: -----  
Housing Regeneration & Strategy Manager

Date: -----

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **HOUSING OVERVIEW & SCRUTINY COMMITTEE**

**DATE:** **MONDAY, 28 APRIL 2014**

**REPORT BY:** **HEAD OF HOUSING**

**SUBJECT:** **PRIVATE SECTOR HOUSING RENEWAL**

### **1.00 PURPOSE OF REPORT**

1.01 To introduce to Members proposed revisions to the Private Sector Renewal and Improvement Policy, along with the rationale for these revisions and to seek support for the changes proposed.

### **2.00 BACKGROUND**

2.01 Cabinet approved the current Private Sector Renewal and Improvement Policy in 2012, with the expectation that it would be in place until April 2015.

2..02 However, as core funding decreases, with a reduction to the Private Sector Renewal capital budget of 20% in 2013/14 and 30% in 2014/15, external funding opportunities have an increasingly important role to play in sustaining activity at current levels. It has therefore become necessary to revisit the existing Renewal Policy a year earlier than planned. External funding includes resources from utility companies in the form of the Energy Company Obligation (ECO) and grant from Welsh Government Arbed, partially supported through the European Regional Development Fund (ERDF).

2.03 The focus of the previous two Renewal and Improvement Policies since 2010 has been on supporting people to improve their own situation through advice and guidance, as well as direct financial assistance in loan form. There are no proposals to move away from these overarching principles within the revised Policy.

2.04 The three areas of change that this report covers include: -

- Introduction of new loan products to support energy efficiency measures
- Introduction of the Welsh Government Property Improvement Loan Scheme
- Strengthening the criteria to access empty homes support

- 2.05 The main purpose of the changes is to further speed up recycling of the resources spent. However this does necessitate a change in how some of the current loan products are administered and managed; including charging a higher rate of interest for those able to pay this.
- 2.06 Demand for loan funding for general repairs and improvements remains high. As stated in the previous Head of Service Report, over the 6 month period between April – September 2013, a total of 23 loans were completed at a value of £105,482. This total does not include any loans for energy works, which have until now been fully funded for householders through ECO and Arbed.
- 2.07 Previously energy efficiency measures were in some cases fully funded by utility companies, but now require the householder to contribute, given that there has been a reduction to ECO funding available to councils. Therefore, if the council wishes to assist low income homeowners to access the ECO funding still available, it will need to help them finance the remaining cost of the work, up to 70%.
- 2.08 In addition to the Energy proposals, there are further changes required to the Renewal Policy as a result of a Welsh Government (WG) initiative. WG are making a ring fenced pot of funding available for providing Property Improvement Loans. It is anticipated that these loans will be available from September 2014, but will require inclusion in the Renewal Policy before they can be offered. This follows the successful Houses into Homes Scheme supported by WG and included within the previous Renewal Policy.
- 2.09 Further to the above, a recent internal audit has recommended that the criteria for accessing direct financial support to address an empty home through the councils capital programme be tightened and this is similarly included as an amendment to the existing Policy.

### **3.00 CONSIDERATIONS**

#### **3.01 New loan products to support energy efficiency measures**

Current statistics suggest that 1 in 3 Flintshire households, which equates to 20,000 households, are in fuel poverty. Tackling this is an Improvement Plan priority, as it contributes to improved health, reducing social exclusion and supporting the local economy both in terms of jobs and skills, and also providing households with more disposable income.

- 3.02 The objectives of the domestic energy team are to provide benefits to Flintshire households and to the council, as well as being a self sustaining area of the service. In order to achieve this, the plan of the team is to administer external funding in a way that allows it to be recycled, so that it can then be reinvested in further energy efficiency initiatives. This would operate as an invest to save fund.

- 3.03 The success of the previous Community Energy Saving Programme (CESP) and the current Energy Company Obligation (ECO) has allowed the Service to invest in schemes which are either fully funded, or require match funding of less than 20%. Where households require support and meet the eligibility criteria, they are referred to the WG Nest programme. Since 2009, match funding from utility companies has been accessed (over £7m) providing the capital for these works. This model has worked well for external wall insulation and solar PV, along with upgrading of boilers and central heating systems. This work has generally been focused on vulnerable households, with little or no ability to make any contribution towards the cost of the work. The existing Renewal & Improvement Policy allows for this.
- 3.04 The focus of the energy efficiency programme in 2014/15 will be major gas infill schemes at Aston and Mostyn. The team have worked alongside Wales and West Utilities to establish the economic viability of providing a gas main in these communities. The council is able to guarantee a certain number of connections within these areas, given the presence of its own stock, where it is anticipated 233 council properties will be connected.
- 3.05 With the above in mind the council is keen to provide an offer to private homeowners within these areas, which would encourage them to connect to the gas main. Recently money from the WG Arbed ECO top up scheme has also been secured (£0.9million), which would be used to fund the new loans discussed below. There are considerable benefits by facilitating the loans, as detailed in the following paragraphs.
- 3.06 As a result of the proposed Flintshire County Council support, Wales and West Utilities expect 70% of homes in the gas infill areas to connect to gas over a 20 year period. In Aston and Mostyn (111 and 806 homes respectively) based on today's fuel prices, this would create an annual fuel bill saving per household of £774. This saving will contribute to the cost of the loan repayments. For households this will allow them to heat their homes more comfortably. Through offering support the council can ensure that the maximum number of households benefit.
- 3.07 The council has appointed a heating contractor and materials supplier to facilitate the transition to gas in these communities. Increases in orders will lead to lower prices through economies of scale. The council has secured a rate for the private sector that is 25% lower than the costs of one off installations. This translates into a one off saving of more than £0.100m to residents.
- 3.08 It is proposed that a nominal interest loan at up to 2%, or a low interest loan is made available subject to affordability criteria. The low interest loan will be made available at 6.25%, which covers the cost of administering the loan. The nominal interest loan will be available to

customers in receipt a means tested benefit or spending more than 10% of their disposable income on fuel.

3.09 The cost of administering this loan will be funded via the energy grant, comprising ECO and Arbed at a rate of 6.25% per loan. The Council expect up to 200 households to apply for support. If the anticipated number of 20% of households qualifies for the nominal interest loan, then this would cost the Service up to £18,320 over the loan period. The loan capital will be financed through energy grant funding and will not be council funded.

**3.10 Anticipated loans to private homeowners – gas infill**

Region	Numbers	Average Loan Size (£)	Fund Needed (£)
Aston	50	3,500	175,000
Mostyn	150	3,500	525,000
<b>Total</b>	<b>200</b>	<b>3,500</b>	<b>700,000</b>

3.11 Currently the council offer loan products through Street UK for repairs and improvements (subject to an affordability test) on an interest bearing basis. This is via a percentage property charge, or a monthly repayment loan and at a rate of 4.00% APR. The lower interest rate reflects the higher loan values of existing loans administered by Street UK (up to £30,000).

3.12 The Service has spoken to a range of loan providers including current provider Street UK and the Robert Owen Community Banking Fund. Both organisations are Community Development Finance Institutions, not for profit companies providing loans regulated by the Financial Conduct Authority (FCA). As a comparison a Green Deal Loan is typically 7.00% and a high street lender is typically 9.00%.

**3.13 Comparing the cost of Street UK against ROCBF for smaller loans**

	Street UK	ROCBF
Average Loan Value	£3,500	£3,500
Interest Rate	4.00%	6.25%
Administration Fee	£500	N/A
Cost Per Loan (Yrs 1-5)	£1,200	£1,094

3.14 The table above identifies that ROCBF are more competitive than Street UK for smaller loans, as they do not include a standard one off administration fee of £500. This is not the case for higher value loans.

3.15 Evidence from similar energy efficiency loan schemes in England shows loan defaults and write offs are at an average of 8%. The financial risk of this is £0.060m over 5 years; however these loans will be secured as a legal charge against the properties.

- 3.16 ROCBF are already providing energy efficiency loans for Powys Council and there is an expectation from Welsh Government that any project they fund, in whole or in part will be assessed using the Value Wales toolkit. Therefore, a Welsh company would be favoured by WG in terms of providing community and economic benefit to the Welsh economy.
- 3.17 The Welsh Government would work with the Service to monitor and evaluate the loan products through the Value Wales toolkit. This toolkit will also benchmark the overall benefit to local contractors and supply chain. The council would seek a single tender exemption to appoint ROCBF to run the energy efficiency loan products during 2014/15. The proposal would then be to run an open tender for provision of the service in 2015/16, at which point Street UK and any other provider could be considered.
- 3.18 The proposal is therefore to adjust the Policy to introduce this new loan product, based upon two interest charges at a nominal rate up to 2%, or 6.25%. The product would be managed by the ROCBF on the basis of a single tender exemption with a commitment to run an open tender for this work in 2015/16. The capital funding for the loans will be provided by utility companies through their Energy Company Obligation (ECO) and other external funds, including WG Arbed, the Council has already secured for energy efficiency.
- 3.19 WG Property Improvement Loan**  
Concern has been expressed by Welsh Government that as core capital funding is being reduced across Wales, less capital is available to help improve private sector housing conditions. In order to address this, WG is currently exploring the possibility of a national Property Improvement Loan Scheme.
- 3.20 The loans would be available to both owner occupiers and private landlords seeking to make essential improvements to their properties. The council is working closely with the National Steering Group to develop these proposals. The funding would be made available via the Coalition Government's Help to Buy Initiative in the form of a loan to Welsh Government, repaid back to Central Government at the end of the initiative in 25 years time. In turn this will then be allocated to the council's on a loan basis also. The exact repayment deadline will be agreed with the 22 Council's prior to any capital funding being released.
- 3.21 The Council is anticipated to receive £0.250m in year 1, £0.500m in year 2 and potentially a further £0.250m in year 3. Appendix 2 identifies the national steering groups proposed details of the Loan Scheme.
- 3.22 The Council hopes to continue to offer its own Property Appreciation Loan product, alongside this, funded from core capital to assist those

owner occupiers who are not able to repay a loan over a 10 year period.

- 3.23 The loans passed on to Flintshire properties will be secured as a charge. Evidence from similar loan schemes in England shows loan defaults and write offs at an average of 5%. Welsh Government proposes to cover this shortfall to a maximum of 2.5%. If the default rate is higher, the risk will remain with the Council; therefore robust affordability testing of applicants will be vital to ensure that default rates remain at a minimum. As the loans are secured, whatever monies are not recovered during the loan repayment period should be recoverable in the event of the property being sold or transferred.
- 3.24 Example: -  
If the loan defaults over the repayment period are at 5% this will amount to a loss of £0.050m, with £0.025m covered by Welsh Government and £0.025m required to be covered by the councils revenue account.
- 3.25 The Minister for Housing and Regeneration is also keen that the products on offer are consistent across each region. Any reallocation of unspent resources will be allocated through the regional structure created for Houses into Homes, of which Flintshire are currently the lead for North Wales.
- 3.26 The existing contract with Street UK was established as a framework agreement with all 6 North Wales councils. This is highly desirable to WG as they seek to promote a consistent loan product and consistent procedures and practices across each region. The use of a single administrator will also assist councils with little loan experience, allowing them to access peer support from within the North Wales region. It would also allow for quicker establishment and delivery of the scheme and the easier reallocation of unspent resources between councils. Discussions have been held with WG and they are supportive of this method of delivery and five of the six North Wales councils have confirmed their intention to seek approval to use Street UK.
- 3.27 The proposal is therefore to include the WG Property Improvement Loan within the revised Renewal and Improvement Policy, once the resources are confirmed and the final scheme within the broad principles outlined within Appendix 2 are agreed. It is likely that the Scheme, if supported, would go live during September 2014. Loan fees as detailed within Appendix 2 would be used to pay the cost of the set up fee to Street UK. This would fully cover the set up cost of all loans above £3350. It is anticipated that very few loan applications below this level will be made and they can be funded through the core capital programme, as is the case for all other Street UK loans funded through the councils own resources. This is permissible as the capital is unlocking finance to fund the enhancement of a capital asset.



### **3.28 Strengthening the criteria to access empty homes support**

It is proposed that two additional conditions will also be inserted in respect of empty homes following an internal audit recommendation. These include, a minimum period the property must remain tenanted after support is provided. This would be 2 years, or until the loan is released. The minimum period rises to 5 years for those owners accessing grant support. Limited grant support is available within the Connah's Quay, Shotton and Queensferry Renewal Area to address a disproportionately larger number of long term vacant homes, matched by higher level of demand for accommodation.

- 3.29 A further condition relating to the need for owners provided with financial support to consent to their property being managed by a social lettings agency will also be inserted. In most cases this has been happening voluntarily, however, it was felt a tightening up of this aspect was required to protect the council should an applicant change their mind once the work of improvement had started on site.

## **4.00 RECOMMENDATIONS**

- 4.01 That Members support the introduction of a new Energy Efficiency loan product, to help deliver gas infill in communities across Flintshire, as outlined within the above report and delegate authority to operate the scheme to the Head of Housing.

- 4.02 That Members support the introduction of the WG Property Improvement Loan initiative and allow for the approval of the final terms and conditions of the scheme to be delegated to the Head of Housing and the Head of Finance (who will be known as the Chief Officer for Community & Enterprise and the Chief Officer for People & Finance at the time of proposed implementation).

- 4.03 That Members support the additional clauses to be added to the Empty Homes assistance, relating to the minimum period of rental, being 2 years for a loan and 5 years for a grant and that the owner must consent to the property being managed by the councils chosen social lettings agency.

## **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The cost of administering the nominal interest loan and payable to ROBCF will be £0.018m and this will be provided through the ECO Arbed energy grant.

- 5.02 The anticipated recycled funds from repayments is £0.200m per year and this will allow for further energy efficiency loans to be provided.

- 5.03 As discussed within the body of the report, the WG Property Improvement Loan Scheme will have financial implications for Flintshire. Consultation will be extended to encompass finance

colleagues in all councils at a dissemination event on 20<sup>th</sup> June 2014 to consider the wide implications prior to any implementation.

#### **6.00 ANTI POVERTY IMPACT**

6.01 Financial support made available through the Policy helps to support those in fuel poverty and/or those on low incomes. There is also a proposal within the proposed Policy that those able to pay for gas infill improvements be charged a higher rate of interest to subsidise a nominal interest product to those most vulnerable.

#### **7.00 ENVIRONMENTAL IMPACT**

7.01 The Policy outcomes contribute to reduced carbon emissions and promote the use of renewable technologies.

#### **8.00 EQUALITIES IMPACT**

8.01 The Policy gives access to all to apply for support, with the most vulnerable receiving priority access to finite resources.

#### **9.00 PERSONNEL IMPLICATIONS**

9.01 There are no personnel implications as a direct result of this report.

#### **10.00 CONSULTATION REQUIRED**

10.01 The Policy should be subject to public consultation and the intention is to carry out this consultation once Members have had the opportunity to scrutinise it.

#### **11.00 CONSULTATION UNDERTAKEN**

11.01 None at this stage.

#### **12.00 APPENDICES**

12.01 Revised Private Sector Renewal & Improvement Policy

12.02 Proposed WG Property Improvement Loan Scheme Parameters

#### **LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS**

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# Private Sector Housing Renewal & Improvement Policy 2012 - 2015

**Visit:** [www.flintshire.gov.uk](http://www.flintshire.gov.uk)

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## Introduction

The Housing Act 2004 places a duty on local authorities to consider housing conditions in their area and to take action as appropriate. It is the Government's view that it is primarily the responsibility of homeowners to maintain their own property. However the Government is committed to improving housing quality across all tenures and fully accepts that some owners, particularly the elderly and most vulnerable, do not have the necessary resources to keep their homes in good repair.

Local authorities have an important role to play by providing help in these cases. The Regulatory Reform (Housing Assistance) Order 2002 provides the flexibility for Council's to provide assistance in the a way which best suits local circumstances.

This Council wants to ensure that the quality of residential accommodation in the County is as high as possible. This Policy sets out the type of financial help available to homeowners, private sector tenants and landlords to improve property condition, or to provide adaptations for people with disabilities. It includes information on eligibility criteria, procedures and conditions of assistance.

## Why do we need this Policy?

### The national and local context

The link between health and housing conditions is well established. Research undertaken by Shelter in 2006 found that poor housing conditions increase the risk of severe ill health or disability by up to 25 per cent during childhood and early adulthood. People with asthma are twice as likely to be living in damp homes and 1 in 12 children in Britain are more likely to develop such diseases such as bronchitis, TB or asthma because of poor housing conditions.

**Excess cold:** The Office for National Statistics reports that nationally there were 2,500 excess winter deaths in 2008/09 and 1,700 in 2009/10. In Flintshire nearly 82% of winter deaths are in the over 75 age group. The key diseases that cause an excess of death in the winter period are cardiovascular and respiratory diseases. Many people suffering ill health live in cold damp homes. Making homes affordably warm can improve indoor air temperatures and reduce the incidence of mould growth, so will assist in health improvement.

**Accidents in the home:** The Royal Society for the Prevention of Accidents report that every year in the UK, more than 5000 people die in accidents in the home and 2.7 million report to accident and emergency departments seeking treatment. Falls account for 71 per cent of all fatal accidents to those aged 65 and over.

The Housing Act 2004 introduced the Housing, Health and Safety Rating System to address these issues. It identifies and evaluates the risks to health and safety in residential accommodation. Recommendations can then be made to reduce the risks identified. The most common hazards are excess cold, damp and mould growth, falls, entry by intruders and fire.

Dealing with hazards in the home due to poor housing conditions reduces the burden on the National Health Service and other public services.

### Demographic Issues:

- Currently 31 per cent of households are headed by someone over the age of 65; by 2026 this is estimated to increase by 48 per cent – an additional 8000 households across Flintshire.
- By 2036 the number of people over the age of 75 living in Flintshire is profiled to be in the region of 8,200, an increase of 184 per cent.
- By 2041, if Flintshire follows the national trend the numbers of older disabled people will have doubled.
- The national trend also suggests that the rural areas will see a noticeably greater increase in the numbers of older people.

### Social and economic wellbeing:

- By 2026, 75 per cent of older households will be owner occupiers.
- Whilst many older people have considerable equity in their homes, many also live in the worst housing conditions and have low incomes.
- Recent EU studies show 30 per cent of pensioners are living well below the national average income.

## Health and care needs:

- Current trends suggest that living longer means living longer with ill health.
- 13% of the county's population report living with a long term illness or disability, which equates to 21,600 residents.
- 4,150 residents are likely to require a minor or major property adaptation or a move to a more suitable property at this time.
- By 2021, it is estimated that more than 2000 people will be living with dementia in Flintshire.
- Care home costs in Wales average £20,000 per person per annum.

## How do we know this Policy is aimed at helping those most in need?

The evidence base and strategic approach for this Policy is sourced from the Private Sector Stock Condition Survey completed in 2010. Flintshire County Council has undertaken a comprehensive assessment of housing conditions across the whole area. This has been achieved by the completion of the Survey, which was conducted in accordance with national guidelines. Full property inspections, including internal and external assessments and a questionnaire survey of households to explore views and attitudes to their housing and local neighbourhood took place.

The findings of the report cover a random sample of 1000 privately owned dwellings across Flintshire. Headline findings are based upon the exploration of information from the sample to represent the overall data of private sector housing in the County.

### Some of the key findings from the Report include:

- A total housing stock of 53,860 dwellings containing 52,510 households.
- 68% of the stock is of post 1945 construction
- 76% of homes are in owner occupation
- 9% of homes are privately rented
- 31% of households are headed by a person over the age of 65
- 31% of households are in receipt of a means tested benefit and are economically vulnerable
- 32% of all dwellings are non decent (16,104 dwellings)
- 8.3% of all dwellings exhibit the single failure of disrepair under the Decent Homes Standard, against a national average of 6.5%.
- 38% of vulnerable households (5,980) live in non decent homes.
- The cost to address non decent homes across the County is £120 million, averaging £6,940 per property
- 15% of households (8,200) are in fuel poverty.

**The key statistics from the Report are those relating to vulnerable households living in non decent housing and the extent of fuel poverty. Highest levels of non decency were found in the Council's neighbourhood renewal area and areas within the top 20% of the Welsh Index of Multiple Deprivation. In terms of accommodation type, pre 1919 housing stock, converted flats and the private rented sector were shown to have the highest failure rates against the Decent Homes Standard.**

Based on this evidence and through the implementation of this Policy, the Council intend to target funding to vulnerable households across the County.

## How does this Policy fit in with the Council's strategic housing objectives?

This Policy is informed by and contributes to the delivery of a number of strategic and corporate priorities on a regional and national level. The relevant strategies and priorities are as follows:

### National and regional housing strategies and priorities

The Welsh Government's national housing strategy '**Improving Lives and Communities**' was launched April 2010. The document sets out the actions for housing over the lifetime of the strategy, which are to: -

- Increase the number of affordable homes for purchase or rent, in the right location and specifically in rural areas.
- Increase the level of private sector investment in housing.
- Improve the quality and standard of all existing houses and rented accommodation, including their energy efficiency.

- Give people more choice by broadening the range of homes and tenancy arrangements to suit people's income and circumstances.
- Give tenants a clear voice in decisions that affect them.
- Make it easier for people to find suitable accommodation, particularly people from minority groups.
- Ensure services reflect the needs of those who use them not the needs of organisations that deliver them.
- Make best use of investment in housing and other regeneration activity to create more jobs and training opportunities, and to improve the look and feel of communities, and the services and facilities available to local people.

The Flintshire Local Housing Strategy 2012 – 2017 aligns closely with the above priorities to ensure that the County can meet the Housing Challenge as set out by Welsh Government.

### **Our Council priorities**

The Council's Plan outlines this organisation's priorities and the specific goals to which we are committed. There are four goals which this Policy contributes to: -

- To meet housing need in the County and to work with partners to ensure a sufficient supply of quality and affordable homes and housing and housing services in the social, mixed tenure and private sector housing markets
- To promote independent, healthy and fulfilled lives in the community with the highest quality personalised and supportive health and social care services
- To make our communities safe and safeguard the vulnerable, with children and older people being priority groups
- To protect and grow the local and regional economy, to be a prosperous County and to provide help and support to those vulnerable to poverty.

### **Private Sector Housing priorities**

- To establish programmes of intervention for private sector housing in line with the findings of the Private Sector Stock Condition Survey and developing initiatives to target action to vulnerable households living in non-decent homes.
- To reduce the health effects of poor housing conditions through a combination of advice, financial assistance, and enforcement action where appropriate, ensuring that residents live in safe, warm and comfortable homes.
- Increasing the proportion of homes that meet the decent homes standard and working with all stakeholders and service providers to encourage this standard of provision in all sectors.
- Assisting vulnerable and lower income homeowners to achieve the decent homes standard through the provision of equity and low cost loans.
- Improving the energy efficiency of dwellings by assisting and promoting householders to take up a range of energy saving measures provided by a range of agencies.
- Assisting elderly and disabled residents to achieve independent living through the provision of disabled facilities grants.
- Increasing the supply of affordable housing by assisting the improvement and conversion of empty residential properties and obsolete commercial buildings to be brought back in to use as homes.
- Achieving a well maintained and managed private rented sector through the All Wales Landlord Accreditation Scheme by encouraging the professional development of landlords, through incentives, education, and advice.

The Private Sector Housing Renewal Service is part of the Community Services Directorate.

### **Related strategies that contribute to achieving the priorities outlined above and to which this Policy contributes are: -**

- **Empty Homes Strategy 2012/15** which aims to tackle the problems caused by long empty properties in the County, which currently stands at approximately 400 in the private sector.
- **Affordable Warmth Strategy (2009/12)** which aims to reduce fuel poverty, increase energy efficiency in the County and reduce the impact of excess cold on health.

## How will we achieve our priorities?

The Council, through the Private Sector Housing Renewal Team and Housing Standards Team, has adopted a three pronged approach to achieve the key priorities: -

- The offer of advice and advocacy
- The provision of financial assistance, and
- The enforcement of housing standards

### Advice and advocacy

The Private Sector Housing Renewal & Standards Team offer advice to homeowners and private tenants on all aspects of housing issues on a daily basis. Information is also available on our website [www.flintshire.gov.uk](http://www.flintshire.gov.uk) We are also targeting promotional activity through leaflets and events in areas which fall within the 20% of the Wales Index of Multiple Deprivation (WIMD) to raise awareness of the Service. Information and advice is also available from **Flintshire Care & Repair**, the local Home Improvement Agency.

For landlords we hold regular Landlord Forums and encourage membership of the All Wales Landlord Accreditation Scheme. We are also planning a series of Landlord training events.

### Financial Assistance

We aim to provide financial assistance, where appropriate, to those who are unable to fund property improvements themselves.

In terms of assessing an inability to fund property improvements, eligible applicants for a loan under this Policy will be a household on one or more of the following income related or disability benefits: -

- Income Support
- Housing Benefit
- Council Tax Benefit (excluding single persons discount)
- Disabled Persons Tax Credit
- Income Based Job Seekers Allowance
- Working Families Tax Credit (with a relevant income of less than £15,050)
- Attendance Allowance
- Disability Living Allowance
- Industrial Injuries Disablement Pension
- War Disablement Pension
- Child Tax Credit (with a relevant income of less than £15,050)
- Working Tax Credit
- Pension Credit

Many of these benefits will be affected by the Welfare Reform Changes. The above list will therefore be subject to change, to account for the introduction of the Universal Credit and Personal Independence Payment (the successor benefit to the Disability Living Allowance).

The emphasis is on enabling home owners to release the equity available in their homes on an 'equity share' basis, where the owner and the Council share the benefit from any increase in property values in the longer term. Since the Council is not primarily a lending institution, it does not wish to impose loan terms which would 'guarantee' its profit or investment and therefore potentially discourage applicants.

Following an approach to the Council by an eligible applicant, the following loan types will be considered in order, with the first loan that meets the applicants need being offered: -

- Repayment Loan
- Property Appreciation Loan
- Flintshire Interest Free Loan



**Repayment Loan:** The Council wishes to encourage the early recycling of resources, to enable it to meet demand and its strategic housing objectives. The Repayment Loan, which includes Capital and Interest, is particularly suited to owners of empty properties, or private sector landlords who will be in receipt of a revenue stream to meet the repayment. It may also suit working applicants, who for whatever reason are unable to finance the work through a commercial lending institution, but are able to sustain regular repayments.

Owner occupiers will have the set up cost of this loan (currently £500) funded as part of a professional services grant. In order to meet its strategic housing objectives, empty property owners and private sector landlords will be entitled to a professional services grant limited to 40% of the set up cost of the loan (currently £200). This category of property owner will be required to fund the remainder of the loan set up cost of £300 themselves (which can either be added to the loan; or paid upon acceptance of the loan application).

**Property Appreciation Loan:** This is particularly suited to older and vulnerable residents of the County, who may have significant equity in their properties, but do not have sufficient income to make regular loan repayments, or carry out improvements themselves. The loan set up cost (currently £500) will automatically be added to the loan, unless the homeowner elects to pay the cost upon acceptance of their loan application.

**Flintshire Home Repair Loan:** This interest free loan will only be made available in cases where the value of the loan does not warrant the cost of setting up a Property Appreciation Loan or Repayment Loan. Therefore, any application for financial assistance under £3000 will be offered on an interest free basis. In addition, this loan may also be offered where the amount of free equity available within the property does not meet the Council's own rules, which currently state that there must be 20% free equity available within the property once the Council's loan charge is added

Loan packages should be easy to understand, affordable and most importantly non-threatening to customers. Therefore, loans offered by the Council do not carry the threat of repossession. To encourage take up of loans, the Council will provide a grant for professional services, which includes any resource to prepare and tender the work.

Over time, as loans are repaid, resources supporting the Policy will be recycled by the Council, providing further loans for home repair, improvement and adaptation.

Grant assistance may be available to clients aged over 60 for low value urgent repairs through Flintshire Care & Repair's Property Repair Fund (funded by the Council). In addition, Grant assistance may also be available for households where the offer of a loan is inappropriate (e.g. there is no free equity within the property) and there is a serious risk to the health safety and welfare of the occupants.

### **Enforcement of Housing Standards**

The Council will always attempt to improve housing conditions through the offer of advice, negotiation, agreement and the offer of incentives where appropriate. Enforcement action is a last resort and will only be taken if resolution through these other methods has not been possible. However, the Council will not hesitate to take action to protect the health, safety and welfare of occupants when appropriate. For further information please refer to the Public Protection Enforcement Policy, which can be viewed on the Council's website [www.flintshire.gov.uk](http://www.flintshire.gov.uk)

### **Key to the overall approach is focusing intervention through: -**

- Client based schemes – targeting vulnerable, older and disabled people living in the poorest housing
- Theme based schemes – tackling issues such as empty homes and energy efficiency
- Tenure based schemes – improving and encouraging the private rented sector
- Area based schemes – supporting neighbourhood initiatives including the Council's Renewal Area

### **Resource implications**

#### **Generally, the Council will resource the Policy through a combination of the following: -**

- Capital allocations received from the Council's Capital Programme. The provision of loans will enable the Council to recycle a proportion of the funding available for housing renewal.

- Specific Capital Grants made available by Welsh Government for Renewal Areas, Empty Homes and Energy Efficiency/Carbon Emission Reduction
- Utility company resources through the Energy Company Obligation (ECO) for Energy efficiency measures in homes

**The award of any financial assistance by the Council in accordance with this Policy is discretionary (with the exception of Disabled Facilities Grants) and is subject to the availability of adequate financial resources.**

## **Policy implementation**

The previous Private Sector Housing Renewal & Improvement Policy 2010 was considered and adopted by the Council's Executive Committee and approved for formal adoption on 1<sup>st</sup> April 2010. Prior to adoption, the general public and a wide range of stakeholders were consulted and their comments were taken into consideration in the formulation of the Policy.

The revisions to the Policy have been subject to further consultation and will be implemented from 1<sup>st</sup> July 2012. The Policy is available to download from the Council's website [www.flintshire.gov.uk](http://www.flintshire.gov.uk) Copies of the document are held within the main Council Offices (which will include Flintshire Connects offices, as and when they open) and members of the public may request a paper copy.

## **Transitional arrangements**

Formal applications for financial assistance received prior to 1<sup>st</sup> July 2012 will be processed in accordance with the previous Policy. Enquiries received prior to this date and all subsequent applications and enquiries will be dealt with under the criteria and conditions detailed in this Policy document.

## **Review and revision**

This Policy shall remain in force until 30<sup>th</sup> June 2015. During the lifetime of the document, further research will be undertaken to identify specific ways to improve private sector housing within the County. This Policy will be reviewed and revised accordingly.

The Council will advise members of the public of any amendments to this Policy, for example due to minor legislative changes, via press releases and our website as appropriate.

## **Equality and diversity**

This Policy produces significant positive outcomes for vulnerable groups, particularly older people and those with disabilities. It reduces inequalities experienced by those groups in respect of health, housing and income. An Equality Impact Assessment has been undertaken as part of this Policy's development. This will be updated during the course of any Policy revision.

We aim to continuously improve the quality of our services for our residents and are committed to giving an equal service to all members of the public regardless of age, disability, race, religion or belief, gender or sexual orientation. We have arrangements in place to help people who may have difficulty in accessing our services.

## **Appeals and applications for assistance falling outside the Policy**

Although this Policy will be the primary consideration in determining applications for assistance, all such applications shall be dealt with on an individual basis, based on the merits of each particular case. The Council will not refuse to consider an application that falls outside this Policy.

It is recognised that there will always be exceptional circumstances. Exceptional cases will be considered by the Senior Manager and/or Head of Service (depending upon the scale of departure from this Policy).

Any person wishing to make an appeal against a decision made under this Policy, or make an application for assistance outside this Policy, should initially write to the Housing Renewal Manager, Private Sector Housing Renewal, County Offices, Chapel Street, Flint CH6 5BD.

## Types of Assistance Available

Please refer to the glossary in Appendix D for definitions of the terms used in this section, for example, 'property appreciation loan', 'owners' interest' or 'category 1 hazard.'

### Improvement and Repair Support

#### Repayment Loan (Renovations)

An interest bearing repayment loan at 4 % annual interest (payable monthly) to cover works which bring the property up to the Decent Homes Standard (Appendix A) An example would be, works to remedy serious disrepair, provide modern kitchen and bathroom facilities, improve heating systems and insulation, and to remove any serious hazards which could affect the well-being of the occupier, such as dampness, dangerous stairs or electrical wiring.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Property non-decent or has category 2 hazards significantly above the average age of the property</li> <li>• Applicants are in receipt of a means tested or disability benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be occupied by the applicant or a family member as their main residence until the loan is released (maximum loan term 7 years)</li> <li>• On completion of the works, property meets the Decent Homes Standard</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £15,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £3,000</li> <li>• Repayable monthly to the Council's loan administrator</li> </ul>

#### Property Appreciation Loan (Renovations)

A property appreciation loan to cover works which bring the property up to the Decent Homes Standard (Appendix A) An example would be, works to remedy serious disrepair, provide modern kitchen and bathroom facilities, improve heating systems and insulation, and to remove any serious hazards which could affect the well-being of the occupier, such as dampness, dangerous stairs or electrical wiring.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount and have 20% free equity remaining</li> <li>• Property non-decent or has category 2 hazards significantly above the average age of the property</li> <li>• Applicants are in receipt of a means tested or disability benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be occupied by the applicant or a family member as their main residence until the loan is released</li> <li>• On completion of the works, the property meets the Decent Homes Standard</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £30,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £3,000</li> <li>• The Council's loan administrator holds a share of the property value, proportional to the cost of the works, as a percentage of the property's unimproved value</li> <li>• Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

## Flintshire Home Repair Loan

An interest free loan to cover works which bring the property up to the Decent Homes Standard (Appendix A) An example would be, works to remedy serious disrepair, provide modern kitchen and bathroom facilities, improve heating systems and insulation, and to remove any serious hazards which could affect the well-being of the occupier, such as dampness, dangerous stairs or electrical wiring. This loan is not available to applicants eligible for a Repayment Loan or a Property Appreciation Loan.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount</li> <li>• Property non-decent or has category 2 hazards significantly above the average age of the property</li> <li>• Applicants are in receipt of a means tested or disability benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be occupied by the applicant or a family member as their main residence until the loan is released</li> <li>• On completion of the works, the property meets the Decent Homes Standard</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £15,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £500</li> <li>• The Council holds a share of the property value, to the cost of the works</li> <li>• Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

## Group Repair Grant

A scheme initiated by the Council who organise works to repair/improve the external fabric of a group of properties, so they are in reasonable repair and structurally stable. An example of works might include replacement roofs, windows, doors, pointing, cladding or underpinning.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant is invited to apply by the Council</li> <li>• Applicant has an owners interest</li> </ul>	<ul style="list-style-type: none"> <li>• A proportion of the grant must be repaid if the property is sold or transferred within 5 years. Repayment will be reduced by 20% for each full year elapsed since the completion date</li> <li>• The applicant must contribute 25% to the cost of the works, unless they elect to undergo a means test</li> <li>• Landlords cannot submit to the means test and must contribute 25%. Landlords participating in a Group Repair Scheme will be encouraged to join the All Wales Landlord Accreditation Scheme and accept nominations from Flintshire County Council.</li> <li>• On completion of the works, the property meets the Decent Homes Standard</li> </ul>	<ul style="list-style-type: none"> <li>• A proportion of the grant is repaid on sale or transfer of the property within 5 years</li> <li>•</li> </ul>

## Flintshire Home Improvement Loan

An interest free home improvement loan designed to help properties reach the Decent Homes Standard. This assistance will only be made available in conjunction with a Flintshire Group Repair Scheme.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount</li> <li>• Property non-decent or has category 2 hazards significantly above the average age of the property</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be occupied by the applicant or a family member as their main residence until the loan is released</li> <li>• On completion of the works, the property meets the Decent Homes Standard</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £5,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £500</li> <li>• The Council holds a share of the property value, to the cost of the works</li> <li>• Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

## Energy Efficiency Support

### Energy Efficiency Top Up Loan

The Government places an obligation on energy suppliers and electricity generators to meet a CO2 reduction target by providing energy efficiency measures to households. The purpose of the Energy Efficiency Top Up Loan is to bridge the gap between the contribution made by electricity generators and suppliers and the cost of the eligible works, minus any owner contribution. Subject to a means test a nominal interest loan of up to 2%, or low interest loan (6.25% annual interest repaid monthly) is available to property owners. The loan is repayable over 50 months.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be occupied by the applicant or a family member as their main residence until the loan is released</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> <li>• Applicant is subject to means test</li> <li>• Applications are subject to the principle of 'insulate before you generate'</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £15,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £500</li> <li>• The Council holds a share of the property value, to the cost of the works, until the loan repayment is complete</li> <li>• Repayable monthly to the Council's loan administrator</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

## Empty Property Support

### Houses into Homes (Empty Property Loan)

There are approximately 500 long term empty properties in the County. This loan is to help owners bring empty properties back in to use. This is in the form of an interest free loan to cover works which bring the property up to the Decent Homes Standard (Appendix A) An example would be, works to remedy serious disrepair, provide modern kitchen and bathroom facilities, improve heating systems and insulation, and to remove any serious hazards which could affect the well-being of the occupier, such as dampness, dangerous stairs or electrical wiring.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount</li> <li>• Applicants property must be long term vacant (over 6 months).</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be tenanted until the loan is released or sold</li> <li>• Property owner will be encouraged to become a member of the All Wales Landlord Accreditation Scheme</li> <li>• On completion of the works, the property must be habitable and of a lettable standard (no category 1 hazards)</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £25,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £500</li> <li>• The Council holds a share of the property value, to the cost of the works</li> <li>• Loan is repaid on sale or transfer (maximum loan term is 2 years for sale and 3 years for rent)</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

### Empty Property Loan

There are approximately 500 long term empty properties in the County. This loan is to help owners bring empty properties back in to use. This is in the form of an interest free loan to cover works which bring the property up to the Decent Homes Standard (Appendix A) An example would be, works to remedy serious disrepair, provide modern kitchen and bathroom facilities, improve heating systems and insulation, and to remove any serious hazards which could affect the well-being of the occupier, such as dampness, dangerous stairs or electrical wiring.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount</li> <li>• Property non-decent or has category 2 hazards significantly above the average age of the property</li> <li>• Applicants property must be long term vacant (over 6 months) and the Council satisfied that a housing need exists in the area</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be tenanted <b>for a minimum of 2 years and thereafter</b> until the loan is repaid</li> <li>• Property owner must agree to the property being managed by <b>the Council's chosen</b> social lettings agency</li> <li>• Property owner must be a member of the All Wales Landlord Accreditation Scheme</li> <li>• On completion of the works, the property meets the Decent Homes Standard</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £10,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £500</li> <li>• The Council holds a share of the property value, to the cost of the works</li> <li>• Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

N:B Applications will also be considered from first time buyers who wish to reside at the property themselves and who are also registered on the Council's Affordable Home Ownership Register. These applicants are not subject to the conditions relating to the management of the property by a social lettings agency and the



requirement to become an accredited landlord.

*(This loan is suspended until such time as the additional monies provided through the Welsh Government House into Homes Initiative have been utilised).*

### Empty Property Repayment Loan

An interest bearing repayment loan at 4% annual interest (payable monthly) to cover works which bring the property up to the Decent Homes Standard (Appendix A). This loan will be offered where the cost of the work exceeds the £10,000 limit of the Empty Property Loan or the £25,000 limit of the Welsh Government House into Homes Loan.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant has an owners interest</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount and have 20% free equity remaining</li> <li>• Property non-decent or has category 2 hazards significantly above the average age of the property</li> <li>• Applicants property must be long term vacant (over 6 months) and the Council satisfied that a housing need exists in the area</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be tenanted for a minimum of 2 years and thereafter until the loan is repaid</li> <li>• Property owner must agree to the property being managed by the Council's chosen social lettings agency</li> <li>• Property owner must be a member of the All Wales Landlord Accreditation Scheme</li> <li>• On completion of the works, the property meets the Decent Homes Standard</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £15,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £3,000</li> <li>• The Council's loan administrator holds a share of the property value, proportional to the cost of the works, as a percentage of the property's unimproved value</li> <li>• Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

N:B Applications will also be considered from first time buyers who wish to reside at the property themselves and who are also registered on the Council's Affordable Home Ownership Register. These applicants are not subject to the conditions relating to the management of the property by a social lettings agency and the requirement to become an accredited landlord.

### Empty Property Grant

This grant is to help owners bring empty properties back in to use within the Council's strategic Renewal Area. This is designed to cover works which bring the property up to the Decent Homes Standard (Appendix A) An example would be, works to remedy serious disrepair, provide modern kitchen and bathroom facilities, improve heating systems and insulation, and to remove any serious hazards which could affect the well-being of the occupier, such as dampness, dangerous stairs or electrical wiring.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>• Applicant is invited to apply by the Council</li> <li>• Applicant has an owners interest</li> </ul>	<ul style="list-style-type: none"> <li>• A proportion of the grant must be repaid if the property is sold or transferred within 5 years. Repayment will be reduced by 20% for each full year elapsed since the completion date</li> <li>• Property must be tenanted for a minimum of 5 years and managed by the Council's chosen social lettings agency</li> <li>• Landlords participating will join the All Wales Landlord Accreditation Scheme and accept nominations from Flintshire County Council.</li> <li>• On completion of the works,</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum grant of £20,000 subject to eligibility testing and loan assessment</li> <li>• A proportion of the grant is repaid on sale or transfer of the property within 5 years</li> </ul>

	the property meets the Decent Homes Standard	
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## Property Conversion Loan

An interest bearing repayment loan at 4% annual interest (payable monthly) to cover works which bring the property up to the Decent Homes Standard (Appendix A). This loan is specifically designed to support the conversion of commercial premises, to provide new units of private rented residential accommodation.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>Applicant is invited to apply by the Council</li> <li>Applicant has an owners interest</li> <li>Account will be taken of any existing town centre Masterplan to establish the appropriateness of conversion</li> </ul>	<ul style="list-style-type: none"> <li>Property must be tenanted for a minimum of 2 years and thereafter until the loan is repaid</li> <li>Property owner must agree to the property being managed by a social lettings agency</li> <li>Property owner must be a member of the All Wales Landlord Accreditation Scheme</li> <li>On completion of the works, the property meets the Decent Homes Standard</li> <li>Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>Maximum loan of £15,000 subject to eligibility testing and loan assessment</li> <li>Minimum loan of £3,000</li> <li>The Council's loan administrator holds a share of the property value, proportional to the cost of the works, as a percentage of the property's unimproved value</li> <li>Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>Voluntary early repayment may be made at any time</li> </ul>

## Landlord Support

### Residential Landlord Loan

An interest bearing repayment loan at 4% annual interest (payable monthly) to cover works which bring the property up to the Decent Homes Standard (Appendix A) An example would be, works to remedy serious disrepair, provide modern kitchen and bathroom facilities, improve heating systems and insulation, and to remove any serious hazards which could affect the well-being of the occupier, such as dampness, dangerous stairs or electrical wiring.

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>Applicant has an owners interest</li> <li>Property non-decent or has category 2 hazards significantly above the average age of the property</li> <li>Applicants are in receipt of a means tested or disability benefit</li> </ul>	<ul style="list-style-type: none"> <li>Property must be tenanted for a minimum of 2 years and thereafter until the loan is released (maximum loan term of 7 years)</li> <li>Property owner must agree to accept tenants in receipt of Local Housing Allowance</li> <li>Property owner must be a member of the All Wales Landlord Accreditation Scheme</li> <li>On completion of the works, the property meets the Decent Homes Standard</li> <li>Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>Maximum loan of £15,000 subject to eligibility testing and loan assessment</li> <li>Minimum loan of £3,000</li> </ul>

N:B A prior failure to comply with an enforcement notice under the Housing Act 2004 will automatically bar a landlord from making an application.



## **Additional forms of Support**

### **Property Relocation Loan**

A property appreciation loan for persons required to move as a result of the Council's property clearance action.

<b>Eligibility Criteria</b>	<b>Conditions</b>	<b>Amount</b>
<ul style="list-style-type: none"> <li>• Applicant occupies a property that is to be the subject of clearance action</li> <li>• Applicant must have sufficient equity within their property to cover the loan amount and have 20% free equity remaining (in the new property)</li> </ul>	<ul style="list-style-type: none"> <li>• Property must be occupied by the applicant or a family member as their main residence until the loan is released</li> <li>• The new property must be free of category 1 hazards</li> <li>• Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<ul style="list-style-type: none"> <li>• Maximum loan of £20,000 subject to eligibility testing and loan assessment</li> <li>• Minimum loan of £3,000</li> <li>• The Council's loan administrator holds a share of the property value, proportional to the cost of the works, as a percentage of the property's unimproved value</li> <li>• Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>• Voluntary early repayment may be made at any time</li> </ul>

### **Home Loss/Loss Payments and Disturbance Allowances**

Ex-Gratia Payments equivalent to statutory Home Loss Payments, Loss Payments and Disturbance Allowances will be paid in non – statutory Clearance and Demolition Schemes in connection with Strategic Acquisitions within a declared Renewal Area. An exception to this will be that in non – statutory schemes were the level of Home Loss Payments awarded to private tenants will be capped at £1500.

<b>Eligibility Criteria</b>	<b>Conditions</b>	<b>Amount</b>
<ul style="list-style-type: none"> <li>• Applicant's property is the subject of clearance action by the local authority</li> </ul>	<ul style="list-style-type: none"> <li>• Owner occupier will be entitled to 10% in addition to the market value of the property</li> <li>• Second premises or business premises will be entitled to 7.5% in addition to the market value of the property</li> <li>• Tenants will be entitled to £1,500 (provided they have occupied the property over the previous 12 months).</li> </ul>	<ul style="list-style-type: none"> <li>• 10% of the total amount of property value for owner occupiers</li> <li>• 7.5% of the total amount of property value for non owner occupied premises or businesses.</li> </ul>

### **Independent financial advice**

Owner-occupiers moving from housing clearance areas have the option of receiving Independent Financial Advice to assist in the moving process. The fees incurred in receiving such advice will be paid by the Council as part of the Disturbance Allowance. An appropriately qualified Independent Financial Advisor (IFA) should be sought and a maximum cost of £300 will be payable on production of a valid invoice.

## **Disabled Adaptations Support**

### **Disabled Facilities Grant**

This is a mandatory grant to provide adaptations to enable a disabled person to live as independently as possible at home. Eligible works include improving access to the home and garden, adaptations to allow access to essential facilities within the home. Examples might include stairlifts, level access showers, ramps and kitchen alterations. See appendix (B) for full definition.

<b>Eligibility Criteria</b>	<b>Conditions</b>	<b>Amount</b>
<ul style="list-style-type: none"> <li>Referral by Occupational Therapist confirming that works are necessary and appropriate</li> <li>Adaptation is the most satisfactory course of action subject to a reasonable and practicable assessment</li> <li>Available across all tenures (Separate arrangements apply for Registered Social Landlord tenants)</li> <li>Work costs in excess of £1,000</li> </ul>	<ul style="list-style-type: none"> <li>As set out in the Housing, Grants Construction and Regeneration Act 1996</li> <li>Repayment of grant will be required if applicant chooses to move within 10 years of the completion date for any grant above £5,000, up to a maximum repayment of £10,000</li> <li>Subject to a means test (except for children)</li> </ul>	<ul style="list-style-type: none"> <li>Maximum of £36,000</li> </ul>

### **Disabled Facilities Relocation Grant**

Introduced to help a disabled person move to a more appropriate property where their existing home is unsuitable for adaptation. The grant covers expenses such as removal costs and connection of services as well as bridging the affordability gap between the value of the applicant's existing home and the purchased property.

<b>Eligibility Criteria</b>	<b>Conditions</b>	<b>Amount</b>
<ul style="list-style-type: none"> <li>Referral by Occupational Therapist confirming that works are necessary and appropriate</li> <li>Property is unsuitable for adaptation, or it is more cost effective to move rather than adapt</li> <li>Available to owner occupiers and private rented tenants (not registered social landlords or Council tenants)</li> </ul>	<ul style="list-style-type: none"> <li>Property must be occupied by the applicant as their main residence for a period of 5 years</li> <li>Purchased property must have no category 1 hazards present</li> <li>No further grant assistance for a period of 10 years from the completion date (except Disabled Facilities Grant)</li> </ul>	<ul style="list-style-type: none"> <li>Maximum of £36,000 available to bridge the gap and carry out any adaptation works at the new property, subject to means testing</li> <li>Maximum of £2,000 available for removal expenses, subject to means testing.</li> <li>Availability dependant upon the detail of each individual case.</li> </ul>

### **Disabled Facilities Discretionary Top Up Loan**

This loan will be considered in very exceptional circumstances where the required expenditure to provide a disabled adaptation is above the statutory limit (currently £36,000). It will only be provided to owner occupiers and the loan amount registered as a financial charge against the property at the Land Registry.

<b>Eligibility Criteria</b>	<b>Conditions</b>	<b>Amount</b>
<ul style="list-style-type: none"> <li>Applicant eligible for a Disabled Facilities Grant which requires a top up.</li> <li>Applicant has an owners interest</li> </ul>	<ul style="list-style-type: none"> <li>Property must be occupied by the applicant or a family member as their main residence until the loan is released</li> </ul>	<ul style="list-style-type: none"> <li>Maximum loan of £15,000 subject to eligibility testing and loan assessment</li> <li>Minimum loan of £3,000</li> <li>The Council's loan</li> </ul>

<ul style="list-style-type: none"> <li>Applicant must have sufficient equity within their property to cover the loan amount and have 20% free equity remaining</li> </ul>	<ul style="list-style-type: none"> <li>Property must be covered by buildings insurance until the loan is repaid</li> </ul>	<p>administrator holds a share of the property value, proportional to the cost of the works, as a percentage of the property's unimproved value</p> <ul style="list-style-type: none"> <li>Loan is repaid on sale or transfer unless to a person who occupied the property at the time of application</li> <li>Voluntary early repayment may be made at any time.</li> </ul>
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N:B Private rented and Council tenants who do not have an owners interest and therefore cannot take a loan charged against the property will be offered the above assistance in grant form.

## Welsh Property Improvement Loan Scheme

It is anticipated that this Scheme will be available from September 2014 and this section of the Policy will be updated to reflect the final scheme as per the principles set out in the Housing Overview & Scrutiny Report of 28<sup>th</sup> April 2014, subject to the final approval of the Council's Cabinet.

## Alternative Assistance

### HouseProud by the Home Improvement Trust

House Proud offers affordable equity release loans for housing repair, improvement and adaptation through the Home Improvement Trust. The scheme is supported by Welsh Assembly Government and Flintshire County Council. The Home Improvement Trust is a 'not for profit' organisation. Applicants must be aged 55 years or over, or a disabled person of any age who own their own home.

### Flintshire Care & Repair

The Council works in Partnership with Flintshire Care & Repair, the local Home Improvement Agency. Flintshire Care & Repair provides a service to older and disabled homeowners, helping them with repairs, adaptations and improvements so that they can remain at home in safety, security and warmth.

The Agency can act on your behalf if you are over 75 years of age and applying for grant or loan assistance, or from aged 60 years and over if you are having work carried out privately. They also offer help and advice on obtaining funding for work, including grants, savings, welfare benefits, loans, equity release and charitable funding. In addition they offer complimentary services, such as a HandyPerson Service, offering small home safety repairs security measures and small scale energy efficiency support, via the Health Through Warmth Scheme.

Their advisory service is free to those over 60 or any age with a disability. They will offer confidential advice and support on how to access the various relevant services and organisations in the area.

### Flintshire Care & Repair Property Repair Fund

Eligibility Criteria	Conditions	Amount
<ul style="list-style-type: none"> <li>Applicant must be over 60 or disabled</li> <li>Applicant has an owners interest</li> </ul>	<ul style="list-style-type: none"> <li>Small scale repairs only (e.g for the removal of category 1 hazards)</li> <li>Charitable and other sources of match funding will be sought</li> <li>Owner may be asked to make a contribution to the cost of the work if they are over the maximum limit and no other funding can be sourced.</li> </ul>	<ul style="list-style-type: none"> <li>Maximum of £1,500</li> </ul>

## **Flintshire Care & Repair Handyperson Service**

This service assists clients who are elderly, vulnerable or disabled, to remain in their homes in a reasonable degree of comfort and security by providing a low cost repair service. There is a nominal charge for this service. The service will arrange for the Handyperson to visit people in their home and provide an estimate for the work required. The Handyperson Service will also offer advice on a wide range of repairs available and will arrange to carry out the works with the minimum amount of fuss. You must be eligible to receive a service from Flintshire Care & Repair to access the handyperson service. A small charge will be levied.

## **Fuel Poverty and Energy Efficiency**

All householders will be eligible for consideration of energy efficiency grants, loans and advice and will be directed through the Council's Home Energy Efficiency Team to access mainstream energy efficiency grants, such as ARBED grants, Nest and Utility Company funding. All vulnerable grant applicants will receive an energy efficiency package on top of the standard grant eligible works. Energy efficiency measures available will top up standards of insulation and heating and help to make domestic fuel consumption more efficient. All energy efficiency measures will be tied into the undertaking of wider works of improvement.

Flintshire County Council is developing its approach to providing assistance for renewable energy sources. Where any application for a Loan is made on the grounds that a house is too cold and the household is a vulnerable household, consideration will be given to the introduction of renewable energy technologies the suitability of which will be assessed against the characteristics of the property and the occupant's needs.

## **Crime Prevention**

All householders will be eligible to receive crime prevention advice and will be directed through the Council's Crime Prevention Partnership for the provision of advice, assistance and other crime prevention services. All vulnerable grant applicants will receive a target hardening package in addition to the standard grant eligible works. Target hardening will improve window locks and door locks.

## **Home Accident Prevention**

All householders will be eligible to receive information, advice and assistance with respect to the prevention of accidents in the home. Loans will be specifically available to remove safety hazards in and around the home and the Council will work with ROSPA, the Fire Service and other service providers to develop home accident prevention packages which may be available for vulnerable applicants in addition to standard eligible works.

## General Process

### Making an enquiry

Upon request, we will provide service users with the appropriate information pack. The pack includes information on the eligibility criteria and any conditions of assistance, together with an enquiry or application form and a letter explaining the application procedure.

Application forms and information leaflets setting out a summary of the types of assistance including details of availability, eligibility criteria, levels of assistance and any conditions that apply are available at the location listed below. This information is also available on our website: [www.flintshire.gov.uk](http://www.flintshire.gov.uk) under the Private Sector Housing tab.

Housing Renewal, Council Offices, Flint, Flintshire CH5 4BD  
Tel: 01352 703434

And at any future Flintshire Connects buildings as they open.

### Making an application

If you wish to apply for a Disabled Facilities Grant, in the first instance, you should contact the Social Services Duty Team, Social Services on 01352 702642. You will be advised whether or not you meet the criteria for assessment by an Occupational Therapist.

Following this assessment, you will be asked to provide financial information for yourself and your family. This will help us to calculate whether you are eligible for a grant. Disabled Facilities Grants are subject to a 'means test' unless the application relates to a child. Your property will also need to be inspected by a Building Surveyor to see whether the works that the Occupational Therapist has recommended can be reasonably and practicably carried out in your home.

If you wish to apply for other types of financial assistance, the first stage is completion and return of an initial enquiry form, or application form, depending upon the type of assistance requested. You may need to provide income and savings details and you may also be asked to describe the problems you are experiencing. Providing photographic evidence will help us assess your case. On receipt of your application form, we will check the details submitted against the qualification criteria for the type of assistance you are applying for.

Enquiries for all loans are dealt with on a first come first served basis. However, in the event of prioritisation being required this will be given to the following client groups: -

- Families with children (under 18 years age)
- Households of older people (over 60 years)
- Those suffering from long term illness and/or disability.

You will be notified if your application has been successful and then asked to confirm in writing whether you wish to proceed. For all types of assistance we will carry out a survey of the property to establish whether it meets the Decent Homes Standard (this English standard has been adopted by Flintshire, as it is easier to achieve than the Welsh Housing Quality Standard but provides an acceptable standard of accommodation in the private sector). We will also check for any safety issues in your home using the Housing, Health and Safety Rating System (HHSRS). We will check for hazards that may be a risk to the occupants of visitors to the property. We will advise you in writing of any hazards we find and advise you of any action you should take to remove the hazard, or reduce the risk to an acceptable level.

An assessment to decide the 'most satisfactory course of action' for dealing with the conditions identified is also completed. If your property meets the eligibility criteria we will issue a schedule of repair works necessary to remove Category 1 Hazards and/or meet the Decent Homes Standard. The schedule will be accompanied by the appropriate application forms for you to complete and return.

It is a requirement of all loan assistance that owner occupiers and tenants will use the Council's agency service to assist with completion of the necessary documentation and also to obtain contractors through a competitive tendering exercise. The Council's fees can be included in your application and will be fully funded by the grant or loan.

The Council's agency service will obtain a minimum of three estimates from separate VAT registered contractors, who appear on the Council's approved list, to complete the necessary works. (Separate arrangements apply in respect of Group Repair Grants and some energy top up loans).

### **Approval of your application**

Upon receipt of your application form we will undertake a series of checks to ensure that all documentation received is complete and correct. In the case of Disabled Facilities Grants, a formal test of resources is then undertaken.

The test for financial resources for the purpose of means testing owner occupiers and qualifying tenants will be in accordance with the legislation that governs the means test for mandatory disabled facilities grants. The prescribed regulations are update on an annual basis.

We will also carry out a costing exercise to determine an eligible cost for the repair works and compare this to the contractor's estimates. Where additional 'non eligible' items of work have been included in the estimate, these are not considered for assistance. Similarly, where contractors costs are considered to be excessive these will be challenged by the Council's Agency Service. This process helps the Council ensure value for money is achieved for public funds spent in the County.

Please note the approval procedure for property appreciation and interest bearing repayment loans is more complex than that described above. Please refer to the section on loan administration below.

### **Payments**

Once works have commenced, applicants (or their Agents) written request for a release if payment will be considered. All payment requests will require an official invoice. Where works undertaken are of a satisfactory standard and are supported by an acceptable invoice, interim payments can be made, subject to conditions. Other than in exceptional circumstances, grant payments will be made, directly to the main contractors. Grant or loan aided fees will also be paid directly to the Council's in house Agency.

Upon notification of completion of the works, we will undertake a full inspection of the works. We will only release final payment when you and we are happy that all works have been completed satisfactorily and all relevant invoices, guarantees and certificates have been received and conditions met.

In cases of dispute between the applicant and the contractor over the satisfactory completion of grant works, the Council reserves the right to adjudicate and release payment to the contractor if it deems it appropriate.

### **Loan Administration**

Loans administration must comply with all aspects of consumer credit regulation and guidance. The principal regulators are currently the Financial Services Authority (Mortgage Regulation) and the Office of Fair Trading (Consumer Credit Regulation). As the Council has no prior experience of loan administration and regulation is necessarily robust, this element of the service has been outsourced to FSA registered companies Street UK Ltd and Robert Owen Community Banking Fund (ROCBF). These companies will advise on the Council's products and ensure compliance with regulation, guidance and best practice.

Local authorities can outline their own financial products; however, they cannot offer financial advice on these products or other financial products. Best practice again dictates that applicants should be offered independent financial advice. The Council has therefore commissioned a list of Independent Financial Advisor (IFA's) who can offer impartial while market advice to applicants. Depending upon the loan application submitted this consultation may be funded by the Council.

Street UK Ltd will ensure that recipients of loans have been offered access to received appropriate advice or information on any obligations or conditions arising for the assistance.

Street UK Ltd will set out in writing the terms and conditions under which loan assistance is being given and have regard to the applicants ability to make a contribution or repayment.

Before works go ahead, Street UK Ltd and the applicant will enter in to a suitably drafted form of loan agreement. The applicant will again be advised of the option to receive independent financial/legal advice before entering in to the agreement. With regard to Property Appreciation Loans, if Street UK's level of

equity share is in excess of 30% the applicant will be required to take financial advice before the loan is approved.

Street UK Ltd will register its interest in the property as a charge at the Land Registry on behalf of the Council. Before agreeing to the loan the Council will have regard to the number of charges already registered over the property and the amount of equity in the property. In the event of prior charges being registered the Council will take a view on the viability of the proposed loan.

To protect the Council's interest, applicants will be required to provide evidence of a valid house insurance policy. Once the loan has been awarded the applicant must arrange with their insurance company to include Street UK Ltd on the Policy as having an interest. Should the Policy lapse, then the insurance company would notify Street UK Ltd. Contact would then be made by the Council with the recipient to determine what alternative arrangements have been made to re-insure the property.

## **Energy Efficiency Support**

Robert Owen Community Banking Fund (ROCBF) will be responsible for the loan administration for Energy Efficiency Support only.

Robert Owen Community Banking Fund will ensure that recipients of loans have been offered access to received appropriate advice or information on any obligations or conditions arising for the assistance.

Robert Owen Community Banking Fund will set out in writing the terms and conditions under which loan assistance is being given and have regard to the applicants ability to make a contribution or repayment.

Before works go ahead, Robert Owen Community Banking Fund and the applicant will enter in to a suitably drafted form of loan agreement. The applicant will again be advised of the option to receive independent financial/legal advice before entering in to the agreement.

The Council will register its interest in the property as a charge at the Land Registry. Before agreeing to the loan the Council will have regard to the number of charges already registered over the property and the amount of equity in the property. In the event of prior charges being registered the Council and ROCBF will take a view on the viability of the proposed loan.

To protect the Council's interest, applicants will be required to provide evidence of a valid house insurance policy. Once the loan has been awarded the applicant must arrange with their insurance company to include ROCBF on the Policy as having an interest. Should the Policy lapse, then the insurance company would notify Robert Owen Community Banking Fund. Contact would then be made by the Council with the recipient to determine what alternative arrangements have been made to re-insure the property.

Further information on loan administration is available for the Housing Renewal Service on 01352 703434.

## **Conditions of assistance**

### **General conditions**

All forms of assistance referred to in this Policy document are subject to a number of general conditions. We will set out in writing to each person being provided with assistance, confirmation of the terms and conditions. Applicants should consider these terms and conditions carefully, particularly when applying for loan assistance. The following list is not exhaustive.

- All applications for assistance must be made on the Council's official application forms.
- All applicants for loan assistance will be required to have their property registered with the Land Registry office and will be subject to bankruptcy checks.
- The payment or part payment of grants and loans is conditional on the eligible works being carried out to the satisfaction of the Council and the receipt of an acceptable invoice for the works and any ancillary or professional fees.
- If an interim grant or loan payment has been released before the work is certified as complete and the owner disposes of the property, the owner will be required to repay to the Council the full amount of financial assistance paid. (Separate arrangements apply to Disabled Facilities Grants).

Unless stated otherwise, any loan or grant assistance and related conditions will be secured as a legal charge against the property where breach of a condition would require repayment of all or part of the

financial assistance. This charge will not be removed until either the conditions expire or until the financial assistance is repaid.

- Costs (including maximum levels of assistance) include VAT at the applicable rate.
- Applicants for financial assistance will be required to submit a recent utility bill (e.g. gas, electric or water) as proof of address. In addition, applicants will also be required to provide proof of their National Insurance Number. Proof will also be required for the applicant's partner, where applicable. Acceptable evidence includes original National Insurance card, recent wage slips or benefit book.

For assistance subject to a test of financial resources (the means test), applicants will be required to submit the following:

1 If you are working and not self-employed, a certificate of earnings completed and stamped by the employer.

2 If you are self-employed, income details for the 52 weeks immediately preceding the date of application, verified by a qualified accountant. Full audited accounts may be required.

3 If you are in receipt of a state means-tested benefit, a copy of the payment book or relevant documentation. We may contact the appropriate government agency to check and verify the information submitted.

4 Evidence of savings or assets such as a second property.

No assistance will be awarded for works that have commenced prior to the date of formal notification of grant or loan approval.

- Where it is ascertained that an application for assistance has been determined on the basis of inaccurate or incomplete information, we can withhold or demand repayment of monies from the applicant.
- If an applicant knowingly makes a false statement, in respect of any information they provide as part of an application for financial assistance or payment, including details of income and savings, we may refer the matter to the Police with a view to prosecution.
- In exceptional cases, where the property must be vacated in order for works to be carried out, the Council may be able to assist in finding temporary accommodation. Residents must be unable to arrange temporary accommodation privately e.g. with family or friends and will be liable for the cost of any rent, removals or furniture storage incurred. However, if the applicant would suffer undue hardship, the Council may be able to provide discretionary grant or loan assistance.

### **Exceptions to repayment conditions**

There will be no exception to the repayment of any loan as the Council is mindful of the fact that Public money is being used to fund works and would wish to maximise recycling of resources to assist others. However, it is recognised that there will be certain situations where it would be inappropriate or unreasonable for the owner to be required to repay other grant assistance monies on disposal of the dwelling. A written request for a repayment waiver must be made to the Council, explaining the circumstances of the case and the reasons why repayment of grant would cause undue hardship. The particulars of each individual case will be considered on their own merits and the applicant (or agent acting on their behalf) will be notified of the outcome in writing.

Where a property is vested in another individual's name under a will or intestacy, the death of the owner will trigger repayment, unless the property was the inheriting person's main residence at the time of application. In this case the condition to repay the loan or grant assistance and occupy the property will transfer to the new owner.

### **Fees and charges**

For the purposes of this policy, professional fees and charges in respect of applications for financial assistance will include the following:-

- Confirmation, if sought by the local authority, that the applicant has an owner's interest.
- Initial valuation of the property (Property Appreciation Loans)
- Technical and structural surveys.
- Design and preparation of plans and drawings.



- Preparation of schedules of relevant works.
- Assistance in completing forms.
- Advice on financing the cost of the relevant works which are not met by grant.
- Applications for building regulations approval (including application fee and preparation of related documents)
- Applications for planning permission (including application fee and preparation of related documents).
- Applications for listed building consent (including application fee and preparation of related documents).
- Applications for conservation area consent (including application fee and preparation of related documents).
- Obtaining of estimates.
- Advice on contracts.
- Consideration of tenders.
- Supervision of relevant works.
- Disconnection and reconnection of electricity, gas, water or drainage utilities where this is necessitated by the relevant works.
- Payment of contractors.
- Loan charge land registration fees

### **Requests for extension of time**

It is a condition of payment of grant and loan assistance that the eligible works are carried out within 12 months from the date of the approval of the application concerned (3 months for Residential Landlord Loans). Only in exceptional circumstances will we agree to extend the period of time in which the approved works must be completed. Nonetheless, it is recognised that occasionally there will be valid and genuine reasons, beyond the control of the applicant, for not being able to complete the work on time. Requests for extension of time must be made in writing to the Council, explaining the circumstances of the case and the reasons why the works cannot be completed within the specified timescale, together with the amount of additional time being requested. The particulars of each individual case will be considered on their own merits and the applicant (or agent acting on their behalf) will be notified of the outcome in writing.

### **Revisions after loan or grant approval**

Where, owing to circumstances beyond the control of the applicant, the eligible works cannot be completed for the estimated costs submitted with the application, we will consider written requests for additional assistance. Requests will be considered in accordance with the following guidelines:

- Where the eligible works cannot be completed without carrying out additional unforeseen works;
- Where the additional costs would place the applicant in undue hardship.
- In all cases, the re-determination of an approval will be subject to the total amount of assistance not exceeding the relevant maximum level of assistance.

## Appendix A

### The Decent Homes Standard

The Decent Homes Standard is the English Government's standard for housing. Whilst not enforceable by statute, the Council uses it as a target for the standard of accommodation in the County.

The definition of a decent home is one which meets the four following criteria:

a) It meets the current minimum standard for housing  
Dwellings below this standard are those defined as having category one hazards under section 2 of the Housing Act 2004.

b) It is in a reasonable state of repair

Dwellings which fail to meet this criterion are those where either:

- One or more of the key building components are old and, because of their condition, need replacing or major repair; or
- Two or more of the other building components are old and, because of their condition, need replacing or major repair.

c) It has reasonably modern facilities and services Dwellings which fail to meet this criterion are those which lack three or more of the following:-

- A reasonably modern kitchen (20 years old or less).
- A kitchen with adequate space and layout.
- A reasonably modern bathroom (30 years old or less).
- An appropriately located bathroom and WC.
- Adequate insulation against external noise (where external noise is a problem).
- Adequate size and layout of common areas for blocks of flats.

d) It provides a reasonable degree of thermal comfort

This criterion requires dwellings to have both effective insulation and efficient heating.

## Appendix B

### Works eligible for Disabled Facilities Grant

Section 23 of the Housing Grants, Construction and Regeneration Act 1996 sets out the purposes for which a grant must be approved, which can be summarised as follows:

- a) facilitating access to the home;
- b) making the home safe;
- c) facilitating access to a room used or usable as the principal family room;
- d) facilitating access to, or providing for, a room used or usable for sleeping;
- e) facilitating access to, or providing for, a lavatory, or facilitating the use of a lavatory;
- f) facilitating access to, or providing for, a bath or shower (or both), or facilitating the use of such;
- g) facilitating access to, or providing for, a room in which there is a washbasin, or facilitating the use of such;
- h) facilitating the preparation and cooking of food by the disabled occupant;
- i) improving any heating system in the home to meet the needs of the disabled occupant or, if there is no existing heating system in the dwelling, or any such system is unsuitable for use by the disabled occupant, providing a heating system suitable to meet his or her needs;
- j) facilitating the use of a source of power, light or heat by altering the position of one or more means of access to or control of that source or by providing additional means of control;
- k) facilitating access and movement by the disabled occupant around the home in order to enable him or her to care for a person who is normally resident there and is in need of such care; and
- l) such other purposes as may be specified by order of the secretary of state. Since May 2008, local authorities are also required to fund works which facilitate a disabled occupant's access to and from a garden or works which make access to a garden safe for a disabled occupant.

## Appendix C

### Glossary of Terms

#### Category 1 Hazard:

Under the Housing Health and Rating System, scores in excess of 1000 are banded A, B, or C and are classified as Category 1 hazards. The Council has a duty to take action to remove or reduce the risks for category 1 hazards. Hazards scoring 999 or less are classified as Category 2 hazards and the Council has discretion to take action in such cases.

#### All Wales Landlord Accreditation Scheme:

Available to private landlords to certify their properties and management practices as reaching a Council standard which exceeds the statutory minimum.

#### Decent Homes Standard:

The Government's target standard for housing in England. See appendix D for details.

#### Disabled Facilities Grant:

A grant to fund alterations to a disabled person's home to improve access, and help them move around within their home freely and safely. Also, to assist them to use essential facilities such as kitchens and bathrooms and services within the home, so that occupants with disabilities can manage as independently as possible. Adaptations of a minor nature (e.g. provision of a handrail, flashing doorbell, ramp etc.), are dealt with outside of this policy. Works costing in excess of £1000 are classed as a major adaptation and can be processed as a Disabled Facilities Grant. If you consider you need a disabled adaptation, we will ask an occupational therapist to assess whether or not you meet the criteria for a Disabled Facilities Grant and that the proposed works will meet your needs.

#### Equity Loan:

The Council facilitates the lending of money to home owners for property improvements/repairs in exchange for a share in the value of the property. There are no regular repayments or interest added to the loan. The Council recovers its money when the property is next sold or transferred to a new owner. Example: If the unimproved value of the property is £100,000 and the cost of the works required is £10,000, the council or its administrator will take a 10% share of the value of the property (although not a "share" of ownership), repayable when the property is sold. Family member: (of the applicant): Husband, wife, person living with the applicant as wife or husband, son, daughter, step-son, step-daughter, and son-in-law, daughter-in-law, parent, grandparent, grandchild, brother, sister, aunt, uncle, nephew, niece, whether the relationship is by blood or marriage.

Housing Health and Safety Rating System (HHSRS): Introduced by the Housing Act 2004. This is the primary method of assessing housing conditions. A dwelling is assessed for hazards that may present potential harm to occupants, visitors and passers by, across 29 categories. Individual hazards are given a score by reference to a prescribed method of calculation to indicate their severity.

#### Home Improvement Agency (HIA):

Charitable organisation who work in partnership with the Council to provide advice and assistance with adaptations, improvements and repairs for older and vulnerable people.

#### House in Multiple Occupation (HMO):

Covers most types of accommodation where there are groups of people living together who do not constitute a family and where these people share amenities and/or common entrance.

#### Loan Assessment:

By law, to enable you to decide whether the offer of a loan is suitable for you, the council or its partner must give you certain information about the loan and relevant procedures. This information is included in the 'customer information document'. An officer from Street UK Ltd will arrange an interview with you to explain how the loan works, and will issue you with a copy of the customer information document.

#### OT:

Occupational Therapist - assesses client's needs for disabled adaptations.

#### Owner's interest:

owning the freehold of the property or having it on a tenancy of which not less than five years remain unexpired at the date of the application.

**Priority One DFG Adaptation:**

A referral for a Disabled Facilities Grant where the service user and/or carer at immediate high risk needing alternative care arrangements until/unless work is completed.

**Reasonable and practicable assessment:**

A legal requirement, carried out by Housing Renewal. This must be completed before a Disabled Facilities Grant can be approved. The property is inspected to check that the proposed works are technically feasible, that there are no other reasonable alternative solutions, and that there are no other health and safety issues. The property is assessed using the Housing Health and Safety Rating System.

**Test of resources (means test):**

This is an assessment of an applicant's ability to fund works themselves and determines if a contribution has to be made towards the financial assistance offered by the Council. It is carried out in accordance with the legislatively determined means test for mandatory Disabled Facilities Grants.

**Vulnerable households:**

The Government definition of households who are in receipt of one of the following means-tested or disability related benefits: -Income Support; Income-based Job Seekers' Allowance; Income related Employment Support Allowance; Housing Benefit; Working Families Tax Credit; Disabled Person's Tax Credit; Disability Living Allowance, care component; Disability Living Allowance, mobility component; Industrial Injuries Disablement Benefit; War Disablement Pension, Attendance Allowance, Pension Credit, Child Tax Credit.

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## Appendix 2 – Proposed WG Property Improvement Loan Scheme parameters

Maximum Loan Charge	A one off administration fee of up to 15 per cent e.g. a £10,000 loan would incur a fee of £1,500 on top of the amount borrowed.
Minimum and Maximum Loan value	£1,000 up to £25,000
Maximum loan funding per applicant	Up to £150,000
Improvement required	Warm, Safe or Secure.
Loans can be used to improve a property to/for:	<ul style="list-style-type: none"> <li>• Continued ownership</li> <li>• Sell</li> <li>• Rent</li> </ul>
Loan criteria for PRS only	<ul style="list-style-type: none"> <li>• Must be free of category 1 hazards.</li> </ul>
Maximum loan Period	Up to 5 years for Private Landlords and 10 years for Owner Occupiers.
Repayment Terms for loans	Choice of staged repayments or full repayment at end of loan term.
Repayment Terms for LA's	WG to agree a repayment schedule with each LA in years 13-15.
Eligible Applicants	<p>Owners of sub standard homes e.g. landlords, owner occupiers who pass affordability checks.</p> <p>Applicant must not:</p> <ul style="list-style-type: none"> <li>• Have adverse credit, hold a CCJ or be bankrupt</li> </ul>
Eligible Applicant could supply – to be discussed further.	<ul style="list-style-type: none"> <li>• Individuals – last 3 months pay slips,</li> <li>• Charities – last 3 years financial accounts,</li> <li>• Companies/businesses – last 3 years accounts;</li> </ul>
Risk Mitigation Measures	A mix of more than two of the following: loan to value ratio, second property charges, local land charges, staged repayments or other possible risk mitigating measures that can be agreed with WG

## Appendix 2 – Proposed WG Property Improvement Loan Scheme parameters

Grant funding	<ul style="list-style-type: none"><li>• Other funding options such as Arbed must be explained to the applicant.</li><li>• Other funding options can be used in conjunction with the loan as long as they are funding separate works.</li></ul>
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