

**REPORT FROM:** HOUSING, HEALTH AND ECONOMIC DEVELOPMENT  
SERVICES MANAGER

**TO:** SPECIAL BUDGET EXECUTIVE

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## HOUSING RENEWAL POLICY

### PURPOSE OF REPORT

To seek approval for the attached Housing Renewal Policy.

### RECOMMENDATION

The Executive is asked to consider the revised Housing Renewal Policy and ask Full Council to formally adopt it.

### REASON FOR RECOMMENDATION

To ensure the Council is complying with legislation by adopting a Policy which allows us to provide assistance to acquire, adapt, improve, repair, and demolish houses.

### ISSUE

The Regulatory Reform Order (Housing Assistance) (England and Wales) Order 2002 (RRO) gives Local Authorities the power to provide assistance, directly or indirectly, to improve living conditions in their area. This assistance can take the form of grants, loans, advice or materials.

The RRO imposes a condition that before a Local Authority can offer any form of assistance, it must have adopted a policy for the provision of assistance and publicised its adoption.

The policy details the forms of assistance available to help residents improve or adapt their properties. These forms of assistance are broken down into the 4 themes, which are regarded as our main housing renewal priorities; area regeneration, assisting the housing market, helping the most vulnerable and improving the energy efficiency of the stock.

The Policy covers the following forms of assistance under each theme –

**Helping the most vulnerable –**  
Mandatory Disabled Facilities Grants

Minor Works Assistance

**Area Regeneration –**

Block Improvement Schemes  
Purchase Assistance Loans

**Assisting the Housing Market –**

Deposit Assistance Scheme  
Empty Property Loans

**Improving the Energy Efficiency of the Stock –**

Pendle's Affordable Warmth Grant (PAW) Heating scheme

The Policy has been revised within the context of the major reductions in Council capital budgets, historically used to fund improvements to the housing stock. This funding for repairs, at its peak totalling £12million per year has reduced to zero. These reductions mean there is no financial assistance for owner/occupiers to carry out repairs to their own properties, any forms of assistance for this, are included in the Policy to offer at our discretion when external funding is secured.

This policy revises the existing Housing Renewal policy, which was adopted in February 2013.

**IMPLICATIONS**

**Policy:** : The existing Housing Renewal Policy was approved in January 2013, and due to funding changes we have removed the Local Authority Mortgage Scheme and the PHEW heating grant scheme . Legislative changes have also meant that we have incorporated the previously approved grant recovery for certain DFG.

**Financial:** Apart from the mandatory Disabled Facilities Grants, for which we receive a Better Care Grant Allocation from the Department of Communities and Local Government via Lancashire County Council all the other forms of assistance are available at the Council's discretion, and subject to the funding being identified. Housing Health and Economic Development Service will make bids on an ongoing basis to continue to provide the assistance

**Legal:** The Regulatory Reform Order (Housing Assistance) (England and Wales) 2002 dictates that in order to provide assistance to home owners, the Council must have a policy in place and publicise its adoption.

**Risk Management:** There are no implications arising from this report.

**Health and Safety:** While there are no health and safety implications to the Authority, the provision of Minor Works Assistance and Energy Efficiency grants improves the health and safety of our residents.

**Sustainability:** Energy Efficiency assistance and some elements of Block Improvement Scheme works will improve the energy performance of the Borough's housing stock. The carbon savings generated are reported annually via the Home Energy Conservation Act (HECA) figures.

**Community Safety:** Block Improvement Schemes improve the security of doors and windows to properties

**Equality and Diversity:** As part of the Service Planning, an Equality Impact Assessment has been carried out on the all activities we undertake, including the forms of assistance detailed within this revised Policy. The only activity which showed a high impact was the delivery of the Disabled

Facilities Grant programme, however it showed that this programme only had a positive impact on disabled and elderly residents

**APPENDICES** Revised Housing Renewal Policy

## **LIST OF BACKGROUND PAPERS**

**HOUSING, HEALTH AND ECONOMIC DEVELOPMENT  
SERVICE**

**Housing Renewal Policy**



**January 2016**

# Housing Renewal Policy

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## **1. Introduction**

The Housing Renewal Policy is a fundamental element of Pendle's Sustainable Community Strategy (2008-18) and Pennine Lancashire Housing Strategy (2009-2029) and should be considered within that context. The Housing Renewal Policy is the translation of resources into assistance for the residents of Pendle.

The Regulatory Reform (Housing Assistance ) (England and Wales) Order 2002 (RRO) that came into force on the 18<sup>th</sup> July 2002 repealed much of the prescriptive legislation together with the associated detailed rules, procedures and conditions that governed the provision of Housing Assistance. The Housing Act 2004 prescribes the method of inspecting and assessing a property's condition.

Pendle suffers from many problems relating to its housing stock, and has some of the highest numbers of excess winter deaths and households in fuel poverty as a result. Both these issues can be linked to the prevalence of pre 1919, stone built, through terraced housing stock.

The government has made it clear that the responsibility to maintain private property lies firmly with the owner. However the Council recognises that the private sector stock is a major public asset, and understands the detrimental effects poor quality and hard to heat stock have on our residents' health and therefore seeks to offer assistance as a form of investment for long term public benefit, health and wellbeing, as well as directly assisting vulnerable groups to remain in their homes.

The amount of assistance that may be offered is directly related to the levels of funding available. Cuts to public sector budgets have had a major impact on the work that can be done to private sector housing but the Council will work to ensure that it levers in funding , where possible, to make the best improvement to the private sector that it can.

The Council has a general power, under the RRO, to provide grants, loans, advice, materials and the conversion or adaptation of housing accommodation. It also has the discretion to decide on rates of grant, grant conditions and all other such issues. This provides a greater degree of flexibility to contribute to the national, regional and local needs. The one exception to the Council's discretionary powers is the Mandatory Disabled Facilities Grants. This form of assistance is governed separately by several pieces of legislation, Statutory Instruments and Circular guidance, and remains the sole form of mandatory assistance available to residents.

This policy revises the existing Housing Renewal policy, which was adopted in January 2013, to incorporate the previously approved products for residents affected by clearance, requiring help in purchasing a property and owners of empty properties, as well as amendments to the help available for energy efficiency measures, and the measures available for area regeneration.

The Policy has been revised within the context of the major reductions in Council capital budgets, historically used to fund improvements to the housing stock. It is also revised in the context of the Energy Company Obligation, which will lever in funding to provide energy efficiency measures to households.

## **2. Stock Condition**

Under the Housing Act 2004 each Local Authority 'must keep the housing conditions in their area under review to identifying any action that may need to be taken by them.' This review of stock is done by a comprehensive Stock Condition Survey,.

Pendle Council's most recent Stock Condition Survey was commissioned and carried out in 2009 in conjunction with the other East Lancashire Local Authorities and Regenerate Pennine Lancashire.

The Survey showed that:

- Compared to the National average, Pendle has a substantially higher proportion of housing stock which was built before 1919.
- There are more terraced properties than the National average.
- 22.1% of the housing stock has at least one Category 1 hazard as defined by the Housing Health and Safety Rating System. This equates to approximately 8,700 properties containing hazards which will lead to illness, injury or infection.
- The prevalent Category 1 hazard in our housing stock is excess cold.
- 36.3% of the housing stock is classed as 'sub-decent'; this equates to in excess of 14,000 properties which fail to meet the Government's minimum standard for Housing.
- The cost of bringing every home up to the Decent Home Standard and adapt for life change is in excess of £100 million.

We also gather stock information from the National Census, and the most recent results show that Pendle has the highest proportion of households (5.98%) in the North West without a central heating system. This equated to around 2,300 properties which lack a basic form of whole house heating.

The underlying reason for the high numbers of properties with Category 1 hazards for excess cold is their stone built construction, which due to the nature of their irregular cavities, means they cannot be adequately cavity wall insulated.

### **3. Contribution to the Council's Strategic Aims**

The Council has four Strategic objectives:

1. Working with partners and the community to sustain service of good value.
2. Helping to create and sustain jobs with strong economic and housing growth.
3. Ensuring a clean, healthier, safer and cohesive Pendle
4. Maintaining a sustainable, resilient and efficient organisation

Pendle's Sustainable Community Strategy 2008-18 has the following eight objectives, which link back to the Council's corporate objectives:

1. . To support confident communities that are socially cohesive, creative, tolerant and considerate of the needs of all ages and cultures.
2. To create and sustain a dynamic, competitive and healthy local economy - providing the jobs of the future and the talents and skills to fill them.
3. To create a vibrant housing market offering a mix of high quality and affordable housing for all.
4. To create a Borough in which people feel safe and crime continues to fall.
5. To help people to live long, healthy and independent lives.
6. To deepen our understanding and respect for the environment.
7. To do all we can to give our children and young people the best start in life and the opportunity to achieve their full potential.
8. To help older people live their lives in the way they choose and to support their independent and active living.

Good quality housing stock has a positive effect for the community and the Borough as a whole in that:

- Good quality housing attracts companies and workers - leading to an economically prosperous district.
- Children and young people are better able to benefit from education if they are well housed – leading to a district of excellence in learning.
- Good quality housing promotes community safety – leading to a safer place in which to live, work and play.
- High quality, affordable, warm homes promote health and well being – leading to a healthy district.
- High quality inner urban housing encourages people to live in the centre and support retail business and the retail sector – leading to a living environment which incorporates high quality design and is well maintained.

The overarching strategies and Housing Renewal Policy contribute to the Council objectives by:

#### Successfully engaging and leading our community.

- Working with other Service Areas of the Council and other stakeholders in bringing about a holistic approach to the regeneration of the Borough.
- Consulting and engaging with the community in developing and delivering private sector housing projects
- Area based initiatives are targeted at disadvantaged wards and/or vulnerable groups.



## Delivering successful regeneration and sustainable development

- Seeking resources, sharing best practice and developing projects Pennine Lancashire wide.
- Providing advice and assistance on home energy efficiency and conservation measures as appropriate.
- Undertaking Area Regeneration within priority areas.

## Ensuring good quality services.

- Developing I.T. within the Service to provide detailed information for performance management systems.
- Consulting with Service users and stakeholders in line with Best Value principals.
- Extending benchmarking and performance management.
- Working with other Lancashire authorities to share best practice and develop projects to ensure consistency and improve service delivery etc.

## **4. Key Priorities**

The Council has four key housing renewal priorities:

### **a) Area Based Regeneration**

Area based improvements are considered to be the one of the most effective methods of bringing about improvements to older houses and contributing to wider area regeneration.

The aim is to bring about significant physical, environmental and social changes to the area, both in the immediate and long term, to improve the aesthetic appearance of properties in prominent and strategic positions, return long term vacant properties back into use and contribute to the improvement of the health of the occupants. Examples of typical works undertaken are:

- Block Improvement Schemes
- Purchase Assistance Loans

### **b) Assisting the Housing Market**

As a Local Authority, bringing properties back into use through a number of measures, including financial assistance, will bring about improvements to the physical housing conditions, improve social cohesion, contribute to the local economy through improved housing conditions by increased market values and reduce associated antisocial activities. An important tool is the Improvement For Sale programme, whereby the Council purchases long term vacant properties and following renovation works, brings them back into use. In order to ensure their re-occupation, The Council will only sell these properties in an un-improved state with a Development Agreement highlighting the details of how the Developer will bring the property/properties back into use and renovated to an acceptable standard.

### **c) Vulnerable Groups**

The effects of poor housing on health have long been established. The elderly and young are particularly at risk from increased poor health outcomes. This is the basis for the Housing Health & Safety Rating System, in that hazards are assessed against a vulnerable group based on age range, and it is this age range of people for whom the risk arising from a hazard is greater than for any other group of population. E.g.; people over 60 years of age are more at risk from falls. Financial assistance for removing or reducing hazards within properties (wherever is reasonably practicable) will be given to those households on low incomes and with occupants who fall into a vulnerable group, subject to the availability of funding.

Examples of typical works provided include:

- Replacement/repairs to defective roofing
- Replacement of electrical installations
- Remedial works to eradicate dry rot/ rising damp etc
- Provision of handrails to steep staircase
- Provision of thermostats to hot water systems

Other assistance provided includes:

- Disabled Facilities Grants

#### **d) Theme based -Energy Efficiency**

Improving home energy efficiency is a priority in terms of tackling fuel poverty, reducing CO<sub>2</sub> emissions and removing factors such as cold, damp and condensation which have a detrimental effect on health. Energy efficiency measures will be incorporated wherever possible in all forms of housing renewal assistance given. Typical work undertaken could include:

- Assistance in replacing / installing efficient heating systems
- Incorporating new technology into improvements to address the specific problems of hard-to-heat homes, especially within off-gas areas.

## **5. Area Regeneration**

Area based improvements are considered to be the one of the most effective methods of bringing about improvements to older houses and contributing to wider area regeneration.

The aim is to bring about significant physical, environmental and social changes to the area, both in the immediate and long term, to improve the aesthetic appearance of properties in prominent and strategic positions, return long term vacant properties back into use and contribute to the improvement of the health of the occupants.

The Council offers the following form of assistance where finances are available:

### **5a. Block Improvement Scheme Assistance**

Block Improvement Scheme (BIS) assistance will be available:

- To blocks of properties identified by Housing Health and Economic Development Services, and approved by the Council's Executive in accordance with approved Area Development Frameworks and Masterplans where Block Improvement (BIS) is determined to be the best course of action.
- Block Improvement Schemes allow the external fabric of a group of houses to be repaired at the same time, under one contract, let and supervised by the Council, so that they are left in reasonable repair and structurally stable on completion of the works.

#### Eligibility Criteria

A building can be included in a BIS if:

- It contains at least two dwellings and;
- The whole or some part of the exterior of the building is not in reasonable repair; or
- The whole or some part of the building is unstable.

Additional buildings can also be included in a scheme if:

- Each building comprises at least one dwelling; and
- Carrying out the works to the building and the primary building at the same time is the most effective way of securing the repair or structural stability of each of them.

Should more than 25% of the owners of properties in a scheme fail to give their consent to participate in the scheme, then the scheme should normally be discounted. A decision not to proceed with the BIS will be made by the Housing Health & Economic Development Services Manager, following consultation with the Private Sector Housing Manager and reported to the appropriate committee.

A property which is for sale cannot be included in a scheme. The property would have to be taken off the market and the owner agrees to occupy the property for 12 months following completion of

the works. Where a property changes hands during the life of the BIS scheme a new owner may be considered for participation subject to approval from the Private Sector Housing Manager.

An owner who is out of the country may agree to participate in a scheme using a Power of Attorney. This should be in the form of a document stamped and therefore verified by a "Notary Public" or solicitor in either this country or the country where the owner is residing at the time.

A block of properties may include properties that are the subject of Rental Purchase. This is an agreement whereby a purchaser will occupy the property while making weekly/monthly payments for a number of years (typically 11) to a company, at the end of which he/she becomes the owner. For the duration of the agreement the owner of the property is the vendor, and the purchaser only becomes the registered owner after the final payment.

Legal precedent dictates that such properties are eligible for inclusion in a Block Improvement Scheme.

Commercial premises such as shops, offices or garages may also be included if they are part of a qualifying building and their inclusion is necessary to give satisfactory visual or structural effect to other scheme works. Owners would be treated as non-assisted participants and would normally have to pay for the full cost of the works to the commercial element of the dwelling. The Council may, in addition to this, carry out free environmental works to shop-fronts.

#### Block Improvement Scheme Eligible Works

Eligible works can include any necessary works to the exterior part of the building, that is to say any part which is exposed to the elements i.e. Roofs, chimneys, walls, doors, windows, rainwater goods and external pipe-work. NB. For cavity walls, works to both the inner and the outer skin can be regarded as eligible works if the outer skin faces the open air.

Works can also be carried out to repair retaining walls within the curtilage of the building and to make good internal works where the Council determines that damage has been caused by doing the external works. E.g. re-plastering, loft insulation, etc.

It is not expected that the Council's limited resources will be used to repair or replace such structures that are not part of the habitable dwelling unless considered necessary at the discretion of the Private Sector Housing Manager.

Where the owner of a property does not consent to participate in the full scheme or is not eligible, "linking works" can still be carried out to the property with the owners consent but only if they are necessary to satisfactorily complete works to another building which is participating in the scheme e.g. guttering, or the absence of the works would materially detract from the environmental appearance of a completed scheme e.g. stone cleaning, boundary walls and railings

#### Key outcome

Works carried out under a BIS will, by their nature, improve the visual amenity of an area, but will also improve elements of disrepair as well as the conditions and living environment of residents. These improvements therefore may eradicate Category 1 hazards as defined by the Housing Health and Safety Rating System.

#### Applications and Approvals for BIS

The Council shall not consider participation in a BIS unless they are satisfied:

- that an applicant is aged 18 or over on the date of application and

- that the applicant has an owners interest (as defined by section 101 Housing Grants Construction and Regeneration Act 1996) in the dwelling alone or jointly with others and
- that the applicant agrees to keep the property in their ownership and occupied for a period of three years following completion of the work and
- that a certificate of title has been provided to confirm ownership signed by a Solicitor, Bank or Building Society or sight of the deeds of the property indicating the applicant's ownership.

A fixed contribution of £250 will be payable by owner-occupiers and £500 by private sector landlords.

Some owners do not qualify for the receipt of financial assistance but may still participate in the scheme as "Non Assisted Participants". E.g. Registered Social Landlords (RSL).

Once a formal decision has been made that a BIS is to proceed, the local authority enters into a contract with each participating owner authorising the Council to carry out the agreed works. Consent from all participants is required to enable any scheme to proceed.

The Local Authority is responsible for initiating BIS, which includes the necessary arrangements for execution and payment for works.

BIS may be varied at any time before the completion date. The variation may relate to the participants, the buildings, the works or any other matter.

The owner of a property must consent in writing to linking/environmental works being carried out even though they have not agreed to participate in the BIS.

The costs of linking and environmental works are normally borne by the Local Authority.

In the case of properties subject to a Rental Purchase Agreement the owner (vendor) of the property is required to complete one form - a proof of ownership - and provide a copy of the Rental Purchase Agreement to demonstrate the applicant for the grant is the signatory for the Rental Purchase Agreement. Provision of these items is considered consent for the grant to proceed.

### Completion and Conditions

When the works specified in a Block Improvement Scheme have been completed the Council will notify each participant of the date on which the works were completed to the authority's satisfaction.

If an assisted participant wishes to withdraw their property from the scheme at any time after signifying scheme consent the owner must pay on demand any costs to the Council in connection with the BIS in relation to their property. Notification to withdraw from the scheme must be given in writing.

If the owner sells the property at any time up to three years after completion of the works this will be considered a breach of a condition and the owner for the time being of the dwelling or house shall pay to the Local Housing Authority on demand an amount on a three-year sliding scale.

This condition is a local land charge, which is also binding on anyone who takes over ownership of the property if the obligation has not already been discharged.

The local authority may determine not to demand payment or to demand a lesser amount. Any person who feels aggrieved by the demand should write to:

Housing, Health and Economic Development Manager  
Town Hall, Market Street,  
Nelson, BB9 7LG  
Telephone 01282 661661

The conditions cease to apply once the amount has been paid or any demand for payment has been satisfied.

## ***5b. Purchase Assistance Loan***

The Purchase Assistance Loan is an equity-based loan product, which helps owners of properties which are to be compulsorily purchased or voluntarily acquired, acquire a replacement property. Instead of making regular monthly repayments, the borrower makes one lump-sum repayment when they terminate the loan. The amount of the repayment is based on the change in value of the property over the life of the loan.

Eligible borrowers can receive a loan of up to 50% of the replacement value of their home subject to a cash ceiling of £30,000.

### Eligibility Criteria

Clients must be owner occupiers whose homes are being compulsorily purchased or voluntarily acquired by the Local Authority for clearance or major refurbishment. Owners must have been living in the home on the date when the property/area was agreed for clearance/major refurbishment.

### Key outcome

Those affected by proposed clearance within the intervention areas will be assisted in purchasing properties within East Lancashire

### Loan details

#### Maximum loan

The owner may take a loan of up to 50% of the value of the replacement home and must use their home loss payment as part of the deposit.

The maximum cash loan is £30k. In exceptional circumstance and at the discretion of the Housing, Health and Economic Development Manager

a maximum of £40k may be allowed but this must fall within the 50% value of the replacement home limit. The exceptional circumstances are:

- Where the owners are living in overcrowded property and a replacement home will need to be bigger and therefore provide a larger financial gap
- Where a household requires a larger property to support a member of the household with a disability.

#### Minimum loan

The minimum loan is £2,500.

#### Loan repayment conditions

There are no repayments required during the life of the loan. A resident can pay the loan at anytime without penalty clauses. The repayment of the loan will not arise until:

- The death of the owner.

- The owner leaves the mortgaged property to live elsewhere and has no reasonable prospect of returning (for example, moving to residential care).
- The owner acquires another property which will be their main residence.
- The owner sells the mortgaged property.
- The lender takes possession of the property under the terms of the mortgage contract.

Where a request for an early settlement figure is made after a three year period the loan administrator is under an obligation to provide a settlement figure in writing, having first obtained a current valuation of the property. The client must be informed and client's consent noted, that the fees for this will be added to the settlement figure.

When the home is to be sold, the loan administrator will obtain a valuation of the property. The client must be informed and client's consent noted, that the fees for this will be added to the settlement figure.

For all valuations the client can challenge the valuation and can obtain a second valuation from an appropriately-qualified independent valuer. The client will pay for the cost of this valuation. If no agreement on the value can be reached, the District Valuer will be asked to give a final independent valuation, which will be binding to both parties. The Council and owner will share equally the cost of the District Valuer's valuation.

### Capping the loan

The loan has a floor that is equivalent to the original cash amount borrowed. This figure is the minimum figure that must be repaid.

The loan will be capped at Bank of England Base rate plus 1% annually.

A loan cap sets a ceiling on the amount by which the amount of the equity loan can increase during the life of the loan. It is expressed as a percentage above base rate.

The cap protects owners from excessive rises in property values.

### Loan costs

The following costs are incurred within the loan and are paid for by the local authority.

- Valuation fee
- Legal registration
- Local land search
- Land Registry title
- Other searches as required
- Loan Administration Fee

### Application and Approvals

The replacement property must not be within a future planned demolition programme. The property must be a suitable alternative as the PAL is not available to support significant levels of betterment. The compensation and PAL should allow 'like for like' to be bought but residents can purchase betterment if affordable.

Only one PAL per household and replacement home is allowed and households cannot 'pool' their equity loans to fund replacement properties.

A PAL cannot be used where other funding or subsidy has been provided e.g. grant from the Affordable Housing Programme or where new build units are already being sold at a discount from market value.

A PAL cannot be used to fund stamp duty.



A PAL may be used to fund a resident to move home. However, if the property that the resident is moving into requires repairs, then the loan up to £5k may also be provided to undertake repairs when the owner has relocated.

Prior to purchase, the replacement property should normally be free from category 1 hazards (as defined in the HHSRS) and must be mortgage able (it may be subject to a mortgage retention and the £5k can pay toward these repairs).

If any category 1 hazards do exist, the owner must be able to demonstrate how they will fund the work required to remedy them and may take further funding to undertake the repair work required, up to a maximum of £5k and within the £30k maximum ceiling.

If there are no Category 1 hazards, or the owner has completed the work to remove them, and funds remain within the £5k ceiling, then works to bring the property in line with the Decent Homes Standard may be undertaken at the discretion of the Housing Health and Economic Development Manager. Alternatively the £5k can also be used to fund adaptations required by residents.

### Improvements to properties paid for by the owner

An owner can take an equity loan to fund a replacement property and up to £5k to fund repairs and improvements within an overall cash ceiling of £30k. If an owner chooses to undertake further improvements using their own finance e.g. an extension, the owner is entitled to retain the benefit of any increase in value that the improved work has on the property.

To take advantage of this, an owner must inform the Local Authority before undertaking any improvement works and must comply with any required permissions e.g. planning permission and Building Regulations. The improved works will be recorded by the Local Authority and on sale of the property or repayment of the loan, the independent valuer will make a decision on the increased value that the improvements account for. This amount will be taken off the value of the property before the loan figure to be repaid is calculated.

An owner should be aware that the property will not necessarily increase by the amount of money spent on the property and the owner may not recoup all money invested in the property.

### Early repayment incentives

If a loan is repaid within 3 years from the date of the loan only the original cash sum borrowed is repayable.

### Succession

There is no immediate right to succession. However, in the event of death of the owner(s), if family members or carers are resident in the property but are unable to refinance the loan, then the local authority will give due consideration to granting a new loan to enable the resident heirs or carers to take ownership of the property and loan, as long as they remain resident in the property and are in need of assistance. The amount of the new loan will depend on the circumstances of the successor and the valuation. Each case will be considered individually by the local authority.

### Individuals that do not meet the criteria

Many households who require the support of relocation PAL loan may 'fall short' of the strict criteria for the product but the authority may still want to assist these homeowners. For example, they may require a higher maximum loan than allowed in the criterion. In such cases the Housing Health and Economic Development Manager will take a decision on how to use the policy flexibly and will consider applicants on an individual basis in line with the general provisions of the Housing Renewal Policy.

## **Section 6 Assisting the Housing Market**

### **6a. Deposit Assistance Scheme**

Pendle have operated an Improvement for Sale project for a number of years where empty properties are bought in, refurbished and then sold. This has helped to bring empty properties back into use.

Many of the properties for sale are suited to the first time buyer market but they are struggling to obtain mortgage finance due to the requirement for large deposits. Without first time buyers being able to access properties this has a knock on effect across the whole housing market. In addition to first time buyers other buyers may not have access to large deposits due to reductions in equity following falls in house values since the credit crunch.

To improve sales of Council acquired properties, and to assist the housing market generally, potential purchasers can apply for Deposit Assistance Scheme which offers up to 5% to buyers of residential properties that are being sold by the Council. The following eligibility criteria will apply:

- The purchaser will provide a deposit of not less than 5% of the purchase price
- The dwelling must be intended for occupation by the purchaser as their only principle home
- The purchaser must demonstrate to the Council's reasonable satisfaction that their total gross household income does not exceed £35,000
- Purchasers with a second home will not be eligible for the scheme

The money would be paid directly to the buyer's solicitor on completion of the purchase. It would not be repayable to the Council on the sale of the property as it is being offered as assistance rather than as a loan.

The purpose of the scheme is to assist those purchasers who, due to reduced mortgage offers and/or reductions in equity following falls in house values since the credit crunch, are struggling to raise a sufficient deposit. All applicants will be asked for details of their mortgage offer and if you have a property to sell, you will be asked for details of the asking price and your existing mortgage commitment.

### **6c. Empty Property Loan**

The empty property loans enable the owners to borrow 80% of the cost of the work needed to make them safe to live in up to a maximum of £15,000 with the remaining 20% provided by the owner. Any work over £15,000 will have to be funded by the owner.

The loan is available for up to five years and is interest free for a period of 3 years. However, if the loan is not repaid by the end of the third year then interest will be charged at a rate of 3.75% (APR 1.55%) of the loan value in years 3 and year 4. The applicant can make payments at any point during the life of the loan or make one payment at the end of the term. The Council take a legal charge over the property as security until the loan is repaid.

The loan has been developed in conjunction with Guinness Northern Counties to ensure that it is Financial Conduct Authority (FCA) compliant. Guinness Northern Counties administer the loans and ensure that applicants are aware of the implications of taking out a loan secured against their

property. All administration fees are be met by the Council except the applicant's own legal expenses, should they choose to use a solicitor to deal with the legal charge.

The Council inspects the property and provides the applicant with a schedule of work to bring the property up to the standard required to be occupied.

On completion of the works the Council inspect the works to ensure that they have been done to an acceptable standard and on receipt of an invoice from the contractor pay the loan portion of the works directly to the contractor.

## **7. Vulnerable groups**

With the exception of mandatory Disabled Facilities Grants, all forms of assistance are available at the Councils discretion. The Private Sector Housing Manager will determine applications for financial assistance with reference to this policy. The Housing Health Economic Development Manager will hear appeals against decisions.

The Council offers the following financial assistance:

### **7a. Disabled Facilities Grants**

Disabled Facilities Grants (DFGs) are the only mandatory grant which the Council has to provide. DFGs are administered under the detailed provisions of the Housing Grants, Construction and Regeneration Act 1996, and the associated guidance 'Private Sector Renewal: a Strategic Approach – Circular 17/96'.

A DFG is awarded to adapt the home of a disabled person to meet their needs. An Occupational Therapist (O.T.) is appointed by Lancashire County Council's Social Services Department, who then determines the need for the adaptation. The O.T. will decide whether the adaptation is 'necessary and appropriate' for the Disabled Person. Housing Health and Economic Development service acts on this recommendation, and administers the DFG, providing that the work is considered to be 'reasonable and practicable'.

The Council has to carry out a test of the financial resources of the grant applicant and assess how much they will have to pay towards the work. This test is prescribed in The Housing Renovation etc Grants (Reduction of Grant) Regulations 1990. This test of financial resources does not apply when the adaptation is intended for a child or young person under 18 years of age.

A mandatory grant covers any reasonable costs subject to limit of £30,000.

In such cases where the total grant amount exceeds £30,000, the Housing Health and economic development Service will inform the Applicant of the shortfall. It is then for them to find this finance or request a financial contribution from Social Services.

In January 2014 it was agreed by The Council that where a property has been extended or a garage has been converted and the Disabled Facilities Grant exceeds £5,000 then a charge will be registered against the property for a maximum of 10 years. If the property is sold then the grant will be recovered up to a maximum of £10,000.

Applications for assistance where the owner wishes to carry out works over and above what the Housing Health and Economic Development Service consider to be reasonable and practicable to meet the needs of the disabled person will be allowed. Only the amount applicable to the "Councils Scheme" will be approved. If the works over and above what the Council considers reasonable and practicable includes an extension or garage conversion then the grant recovery process will apply.

In cases where the disabled persons home is not considered adaptable then at the discretion of the Housing Health and Economic Development Manager a relocation grant of up to £3,000 will be paid to assist with the expenses incurred in moving to a more suitable home. This is in addition to any adaptations required.

Key outcome:

The property is adapted to meet the needs of the disabled person

### Applications and Approvals for Disabled Facilities Grants

Pendle Borough Council will not consider an application for Disabled Facilities Grants unless they are satisfied that: -

- The applicant is: over the age of 18 years of age
- The applicant has an owners interest in the property (as defined by Section 101 Housing Grants Construction and Regeneration Act 1996) alone or jointly with others **or**
- The applicant is a person who (alone or jointly with others) – a) in the case of an application in respect of works to a dwelling, is a tenant of that dwelling; or; b) in the case of a common parts application, is a tenant of a flat in the building. In either case does not have or propose to acquire an owner's interest in every parcel of land on which the relevant works are to be carried out
- The property is occupied, or will be occupied by the Disabled Person on completion of the works

No assistance shall be given unless an application for it is made to Housing Health and Economic Development Services and approved by them prior to the start of any works.

An application shall be in writing and shall specify the premises to which it is related and contain

- Particulars of the works in respect of which assistance is required.
- Particulars of any ancillary services or charges in respect of which assistance is sought.

A Certificate of Title is required to confirm ownership signed by a Solicitor, Bank or Building Society or sight of the deeds indicating the applicant's ownership.

Housing Health and Economic Development Service Area will consider a submitted application and issue a decision within 6 months of the date of the said complete application in accordance with the provisions of the Housing Grants, Construction and Regeneration Act 1996.

### Completion and Conditions

It is a condition of the grant that the eligible works are carried out within 12 months from the date of approval or such further period as agreed by the Local Authority.

The payment of grant is conditional on the works being executed to the satisfaction of the Local Authority and on receipt of an acceptable invoice, demand or receipt for payment of the works.

Payment may be made direct to the Contractor at the Borough of Pendle Council's discretion. In cases of dispute where the works is not to the satisfaction of the application but the Local Authority is satisfied, the payment may be made to the contractor.

## **7b. Minor Works Assistance**

Minor works Assistance may be available to (subject to funding being available):

Owner-occupiers of individual properties which are assessed as having Category 1 hazards (as identified under the Housing Health & Safety Rating System) and where grant assistance is determined to be the most satisfactory course of action.

## Eligibility

Owner-occupiers will be eligible to apply for assistance to remove or reduce category 1 hazards (where ever reasonably practicable) within their property up to a maximum of £5,000.

### Eligible works can include:

Any works to remove or reduce as far as reasonably practicable Category 1 hazards within the property.

### Key outcome:

To reduce the number of vulnerable groups living in properties with category 1 hazards as defined in Housing Act 2004.

## Applications and Approvals for Minor Works Assistance

Borough of Pendle Council will not consider an application for Minor Works unless they are satisfied that: -

- The applicant is either: over 60 years of age and on a means tested benefit or the applicant is over the age of 18 years of age and on a means tested benefit (Council Tax Benefit, Income Support, Income Based Job Seekers Allowance, Guaranteed Pension Credit) with a child residing at the property aged 15 or less at the time of the application and
- The applicant lives in the property as their sole or main residence and
- The applicant has an owners interest in the property (as defined by Section 101 Housing Grants Construction and Regeneration Act 1996) alone or jointly with others and
- The property is in council tax band A-C and
- The property is occupied

As the applicant has to be on a means tested benefit, their financial contribution is NIL.

No assistance shall be given unless an application for it is made to the local Housing Authority and approved by them prior to the start of any works.

An application shall be in writing and shall specify the premises to which it is related and contain

- Particulars of the works in respect of which assistance is required.
- Particulars of any ancillary services or charges in respect of which assistance is sought.

A Certificate of Title is required to confirm ownership signed by a Solicitor, Bank or Building Society or sight of the deeds indicating the applicant's ownership.

The local Housing Authority may approve minor works assistance if they are satisfied that the works will result in the removal or reduction of Category 1 hazards HHSRS hazards (as defined in Housing Act 2004) where ever and as far as reasonably practicable.

The applicant will be notified in writing specifying the amount of assistance available, the eligible works and advising of conditions.

## Completion and Conditions

It is a condition of the grant that the eligible works are carried out within 12 months from the date of approval or such further period as agreed by the Local Authority.

The payment of grant is conditional on the works being executed to the satisfaction of the Local Authority and on receipt of an acceptable invoice, demand or receipt for payment of the works.

Payment may be made direct to the Contractor at the Borough of Pendle Council's discretion. In cases of dispute where the works is not to the satisfaction of the application but the Local Authority is satisfied, the payment may be made to the contractor.

## **8. Energy Efficiency**

With the exception of mandatory Disabled Facilities Grants, all forms of assistance are available at the Councils discretion. The Private Sector Housing Manager will determine applications for financial assistance with reference to this policy. The Housing Health and Economic Development Manager will hear appeals against decisions. All financial assistance is dependent on funding being identified. The emphasis on energy efficiency assistance is based on the numbers of properties which lack whole house central heating. Requests relating to insulation are signposted to external funding streams.

The Council offers the following financial assistance:

### **8a. Pendle's Affordable Warmth Grant (PAW)**

#### Eligibility

- On low income with savings under £5000 and
- In need of adequate central heating
- With chronic health condition/s
- Are over 60 or
- Under 60 but with a family
- Owner occupiers

#### Eligible works

Provision of a central heating system for the first time, replacement of an existing obsolete central heating boiler, additional radiators to achieve whole house heating, central heating boiler repairs, and the provision of winter packs.

Where an applicant has received funding via the Cosy homes in Lancashire initiative and the applicant has a contribution to pay them we will consider at the discretion of the Private Sector Housing Manager

#### Applications and Approvals

Borough of Pendle Council will not entertain an application for PAW unless they are satisfied that: -

- The applicant has an owners interest in the property (as defined by Section 101 Housing Grants Construction and Regeneration Act 1996) alone or jointly with others

No assistance shall be given unless an application for it is made to the local Housing Authority and approved by them prior to the start of any works.

An application shall be in writing and shall specify the premises to which it is related and contain

- Particulars of the works in respect of which assistance is required.
- Particulars of any ancillary services or charges in respect of which assistance is sought.



The applicant will be notified in writing specifying the amount of assistance available and the eligible works

### Completion and Conditions

It is a condition of the grant that the eligible works are carried out within 3 months from the date of approval or such further period as agreed by the Local Authority.

The payment of grant is conditional on the works being executed to the satisfaction of the Local Authority and on receipt of an acceptable invoice, demand or receipt for payment of the works.

Payment may be made direct to the Contractor at the Borough of Pendle Council's discretion. In cases of dispute where the works is not to the satisfaction of the application but the Local Authority is satisfied, the payment may be made to the contractor.

### Key outcome:

Reductions in excess winter deaths, households in fuel poverty and energy use across the Borough as well as contribution to HECA targets.

## **9. Grant assistance enquiries and applications**

### Disabled Facilities Grant (DFG):

To enquire about a DFG you should contact either:

Lancashire County Council  
Adult and Children's Services Operational Administration  
Chaddesley House  
Manchester Road  
Burnley  
BB11 1HW  
Tele: 470147 or 470850

### Energy Efficiency Advice and Assistance

Housing Health and Economic Development Services  
Home Energy Advisor  
Town Hall  
Market Square  
Nelson  
BB9 7LG  
Tele: 01282 661026

### Other assistance

For further advice or to enquire about other types of assistance please contact:

Housing Health and Economic Development Services  
Private Sector Housing  
Town Hall  
Nelson  
BB9 7LG  
Tele: 661004

Council Officers would normally initiate contact with members of the public when blocks of properties have been identified as a potential Block improvement Schemes.

## **10. General provisions**

It is recognised that any policy is unlikely to take account of every individual situation. Each case therefore needs to be considered on its merits. This policy will act as the guide for officers. In exceptional cases where officers consider that a decision should be made outside this policy, they will first refer the matter to the Private Sector Housing Manager who will consider all of the information prior to making a decision.

### **10a. Help and Advice**

The Housing Health and Economic Development Services Unit will provide advice and information regarding any aspects of private sector housing including: intervention areas; financial assistance; energy efficiency; issues regarding privately rented properties; empty properties and landlord accreditation.

Additional help is offered to grant applicants through Housing Health and Economic Development Services Private Sector Housing Team. The team offers a service, which assists applicants through the whole process of carrying out necessary renovation work, or adaptations to their homes from drawing up plans and appointing a contractor to the supervision of works and claiming grant.

Pendle Homecare and Repair offer a raft of advice to elderly people, from advice regarding sources of funding to undertake repairs to properties to providing a “handy person” service to vulnerable households in the Borough.

For further information or advice, please contact:

Pendle Homecare & Repair  
41 Bury Road  
Haslingden  
Lancashire  
BB4 5PG  
Tel: 0845 050 0570

For further information or advice with regard to landlord and tenant issues, Selective and Mandatory HMO licensing and empty homes please contact:

Housing Health and Economic Development Services  
Private Sector Housing  
Town Hall  
Market Square  
Nelson  
Lancashire  
BB9 7LG  
Tel: (01282) 661008

## **11. Performance measures**

The following local performance indicators measure Housing Health and Economic Development Services performance against this policy:

- Number of private sector dwellings that are returned into occupation (HS5).
- Number of private sector dwellings where Category 1 hazards are removed (HS6).
- % age of Disabled Facility Grants enquiries ready for approval within 3 months of initial visit/scheme agreement (HI1)
- Number of Disabled facility Grants applications received ( HI1i)
- %age of approved Disabled Facilities Grants completed on site within 4 months (HI2)
- Number of approved DFG's completed (HI2i)
- Number of people assisted with home energy advice (HI3)

As a Service Area we also collate the following information for Local Government Office, HSSA - Housing Strategy Statistical Appendix (HIP Returns) and DEFRA (HECA data)

- Number of properties adapted for life change
- Number of properties demolished
- Amount of CO2 saved by energy efficiency interventions

## **12. Policy implementation and review dates**

This policy will be implemented following approval by the Full Council.

The policy will be reviewed in 2 years. The policy may have to be reviewed earlier if there are any significant changes to funding levels.