

| ISLE OF ANGLESEY COUNTY COUNCIL | |
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| Report to: | EXECUTIVE COMMITTEE |
| Date: | 1ST DECEMBER, 2014 |
| Subject: | PROPOSED CHANGES TO THE PRIVATE SECTOR HOUSING RENEWAL STRATEGY AND POLICY. |
| Portfolio Holder(s): | Councillor Ken Hughes |
| Head of Service: | Shan Lloyd Williams, Head of Housing Services |
| Report Author: | J Gwynfor Davies Principal Technical Officer Gwenda Owen, Empty Homes Officer |
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| Local Members: | All Members |

| A –Recommendation/s and reason/s |
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| <p>That the Executive approve in principle:</p> <p>R1- The amendments to the private sector housing renewal strategy and policy (Appendix 1) subject to consultation with external partners and organisations and that authority be given to the Head of Housing in consultation with Porfolio Holder to consider any observations.</p> <p>R2 –The use of Street UK Services Limited, a third party provider, to administer and manage loan schemes on the Council’s behalf and to the transfer of the Council’s allocation for loans to Street UK Services Limited as “Facility Monies” in order to service the loans, subject to the recommendations of the Section 151 Officer.</p> <p><u>2.0 REASONS.</u></p> <p>2.1 Historically, the Council has offered grants to improve private sector housing. The level of funding for all grants, including Disabled Facilities Grants, has decreased by 60% over the past six years, from £2,200,000 in 2009 - 2010 to £900,000 in 2014 – 2015.</p> <p>2.2 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 changed the legislative framework which governed Local Authorities’ ability to provide financial assistance to home owners and allows for authorities to offer loan</p> |

funding. In view of this, it is proposed that Housing Services introduce loan schemes to replace some of the existing grants. It is acknowledged that lending money by providing repayable loans is a more economic use of the Council's limited resources.

2.3 In January 2015, the Welsh Government intend to launch a Home Improvement Repayable Fund to enable local authorities to provide a home improvement loan scheme. In order to participate in this scheme and draw down the funding, the Council will need to be in a position to offer loans under its Private Sector Housing Renewal Policy.

2.4 Amendments to the current Private Sector Housing Renewal Policy, to reflect the proposed changes, will therefore be required.

2.5 Mandatory entitlement to Disabled Facilities Grants will not be affected and these will remain available under the provisions of Housing Grants, Construction and Regeneration Act 1996.

3.0 BACKGROUND

This report has been prepared with reference to the following background papers:-
Private Sector Housing Strategy and Renewal Policy 2012
Housing (Wales) Act 2014
Housing Grants, Construction and Regeneration Act 1996.
Toolkit for Home Improvements Loan Scheme

3.1 Increasing housing options and reducing poverty is a key priority for the Council.

3.2 The new Housing (Wales) Act 2014 places a stronger duty on local authorities to prevent homelessness and will allow Councils to discharge their homeless duty by using suitable private sector accommodation, thus increasing demand for such properties. It also introduces a mandatory registration and licensing scheme for landlords, lettings and managing agents with a view to improving housing standards and management in the private rented sector.

3.3 A Private Sector Housing Condition survey carried out in 2008 indicated that 22.3% of private sector housing exhibited a Category 1 hazard within the Housing Health and Safety Rating System. This rose to 35.4% of private rented housing. Housing Health and Safety Rating System (HHSRS) became the national system for assessing housing conditions under the Housing Act (2004) and a Category 1 hazard is from a list of 29 listed housing hazards where there is considered to be a high risk of serious harm.

3.4 The Energy Act 2011 included a provision that from April 2018, all private rented properties must be brought up to a minimum energy efficiency standard. This provision will make it unlawful to rent out a house or business premise that does not reach the minimum standard.

3.5 The draft Housing Strategy 2014 highlights the importance of encouraging private home owners to continue to maintain their property as failure to do so could lead to poor health and reduced quality of life. The strategy suggests that at a time when grant money is likely to fall, the Council should promote the availability and accessibility of home improvement loan schemes, targeted at owner occupiers and private landlords.

3.6 The Enterprise Island Framework, incorporating the Energy Island Programme and Anglesey Enterprise Zone has a number of major strategic investment projects in the pipeline, including, but not limited to, the Nuclear New Build at Wylfa, National Grid North Wales, Grid Connections, decommissioning of the existing Magnox nuclear power station and Lateral Power's proposed biomass/eco park. These will not only increase the demand for good quality private sector accommodation but may also risk existing tenants being displaced by landlords opting to maximize their financial returns from higher rents. This could have a knock on effect on the number of people faced with homelessness.

4.0 Summary of current provision under the existing policy

The Current Policy, adopted in September 2012, supports the following schemes, subject to available funding:-

1. Emergency Repairs Grant
2. Energy Efficiency Grant (EEG)
3. First Time Buyer - Empty Homes Renovation
4. Fire Safety Measures in Houses of Multiple Occupation
5. Empty Homes - Houses into Homes Loan Scheme
6. Disabled Facilities Grant (DFG). This is a mandatory, means tested grant of £36,000 maximum to help disabled owner occupiers or tenants to remain in their own homes. In the past year, approximately 20 applications have not proceeded as applicants were unable to meet their contribution towards the cost.

5.0 Proposed Future Provision (Revised Draft Policy Appendix 1)

5.1 Anglesey County Council's Corporate Plan for 2013 - 2017 focuses on reducing poverty. Based on our understanding of fuel poverty issues on Anglesey, the proposed policy seeks to offer the best solutions possible to increase energy efficiency in private sector housing and improve housing standards.

5.2 Fuel poverty occurs when a household needs to spend more than 10% of its income on household fuel in order to maintain a satisfactory level of heating. In Anglesey 5.3 % of homes do not have central heating and the limited gas network on Anglesey means a high percentage of homes rely on more expensive oil or electric central heating.

5.3 With the exception of mandatory Disabled Facilities Grant, the proposed policy seeks to replace current private sector housing grants with loan assistance.

5.4. The Proposed Home Improvement Loan Scheme

5.4.1 It is proposed that one generic Home Improvement Loan Scheme be introduced which will enable the scheme to operate with Council funds or external funds that may be awarded.

5.4.2 In January 2015, the Welsh Government intend to introduce a "Home Improvement Repayable Fund" as a way of providing additional finance to individuals and businesses for home improvements. The fund is to enable participating Local Authorities to develop a "Home Improvement Loan" Scheme and should be considered as additional to assistance currently offered by Local Authorities and not as a replacement.

5.4.3 Anglesey's allocation is forecast to be £254,000 over the next two years.

5.4.4 The funding will need to be repaid to Welsh Government by 31st March 2030.

5.4.5 In respect of applicants defaulting on their repayments the Welsh Government has given a commitment to share the risk with Local Authorities up to a maximum of 5% of the loan fund shared equally between Local Authorities and the Welsh Government.

5.4.6 Loans will be recoverable within 5 years (for landlords / developers), but can be extended up to 10 years where the loan is provided for the purpose of owner occupation. First priority will be given to homeowners and then to landlords that offer affordable housing /nomination rights over market rent.

5.4.7 The proposed Home Improvement Loan Scheme will be available to both homeowners and private sector landlords to:-

- i) Address any identified Category 1 and/or 2 hazards from a list of 29 listed housing hazards where there is a severe threat to health or safety of a resident (refer to 3.3) e.g. inadequate heating leading to excess cold or damp and mould, lack of fire safety equipment.
- ii) encourage householders to switch to mains gas within gas infill areas.
- iii) Fund any shortfall between externally funded schemes such as ECO or VVP and total cost of the work.
- iv) Assist applicants to pay their contribution towards a means tested Disabled Facilities Grant.

5.4.8 It is proposed that the Home Improvement Loan scheme be offered to applicants who are unable to pay their means tested contribution, thus ensuring that their home is suitably adapted to meet their changing needs. In 2013-14, approximately 20 applications did not proceed because applicants were either unable or unwilling to meet their contribution towards the cost. The risk of not being able to offer a loan is that vulnerable people will not proceed with the identified work required in order to remain safely in their homes.

5.4.9 It is intended that loans will be interest free, and subject to an administration fee of 15%. The minimum loan value will be £1,000 rising to a maximum of £25,000.

5.4.10 To mitigate against the risk of default on payments, applicants will be subject to an affordability assessment to ensure that they can afford the loan and do not have an adverse credit history, for example, owe any outstanding debt to the Council. All loans will be secured as a charge against the property. Further information in relation to mitigating the risks of default are noted within the Home Improvement Loan Toolkit.

6. Administration of the proposed Home Improvement Scheme

6.1 The provision of loans to householders will require a rigorous financial assessment to ensure it is affordable, taking into account household income and expenditure. The scheme will also require a high level of day to day management and control to minimise the risk of default on repayments. It is therefore proposed that this element of the work be outsourced to a third party organisation.

6.2 It is proposed that the Council join the existing Framework Agreement procured by Denbighshire County Council and awarded to Street UK Services Limited on behalf of the six North Wales Councils. This request has been approved, in principle by the Council's Section 151 Officer, subject to (i) the Legal department's approval of the loan and charge agreements and (ii) that the 'facility monies' are met from WG funding for the scheme and if successful, the capital bid submitted to Finance'.

Street UK Services Limited is a third party organisation who have managed the administration of Property Appreciation Loans and low income home owner loans on behalf of Flintshire, Denbighshire and Gwynedd County Councils. All three Councils have been satisfied with the service they have provided. By using Street UK Services Limited to deliver the scheme on behalf of Anglesey, we will ensure a consistent approach across the region conforming to Welsh Government requirements.

6.3 Within the framework agreement the Council would agree to transfer its allocated fund to Street UK Services Limited as "Facility Monies" in order to service the loans- "Facility Monies" means the amount of funding provided by or on behalf of the Council to the Company for the purpose of providing loans.

7.0 Houses into Homes (2) Loans (2015-2016)

7.1 The Welsh Government has announced additional repayable funding (circa £245,000) to enable Anglesey to offer a second Houses into Homes Loan Scheme. The main difference between this second scheme and the first scheme is that this funding will be repayable to the Welsh Government in 2030.

7.2 Housing Services have successfully administered the current Houses into Homes Loan Scheme, launched in 2012 and it is intended that the process currently in place will continue to be used to deliver the additional scheme.

7.3 The Houses into Homes Scheme offers financial assistance to owners of properties which have been empty for six months or more and are willing to renovate them to bring them back into use, either to rent or to sell on. Whilst priority will be given to existing homes, financial assistance may also be offered for conversion of empty buildings. Eligible work may be structural, re-wire, installation of heating, kitchen/bathroom replacement.

8.0 Internal Funding - General Capital Fund

8.1 Housing Services has submitted a bid to Finance Services for internal funding to replace existing discretionary private sector housing grants with a home improvement loan scheme. If the bid is successful, this scheme will run in parallel with the Home Improvement Loan Scheme which is to be funded via the Welsh Government's repayable fund.

9.0 External Funding Opportunities

9.1 Housing Services shall continue to maximise external funding opportunities in order to minimise the financial burden to the Council.

9.2 The Council, working with Care and Repair, Citizens Advice Bureau and the Financial Inclusion Officer encourages vulnerable eligible householders, living in energy inefficient homes, to explore the availability of Welsh Government or energy companies funding for efficiency measures. Where houseowners are not eligible they will be considered for a Home Improvement Loan.

9.3 In an effort to maximize external funding opportunities, the Council is working collaboratively with Flintshire County Council's experienced and specialist Energy Unit to bid for Energy Company Obligation (ECO) and Welsh Government Arbed funding. This Unit has the expertise and experience to both bid and deliver energy efficiency works to private householders in partnership with the Council. The bid's outcome will be known before the end of the year.

9.4 The Council is targeting £1,215,000 funding secured as part of the Welsh Government funded Vibrant and Viable Places (VVP) urban regeneration framework for the period 2014 – 17 to make better use of the existing housing stock by targeted improvements to empty premises or houses to bring them into use as homes, by helping first time buyers to modernise vacant or sub-standard homes, and by targeted energy efficiency and electrical wiring improvements.

B – What other options did you consider and why did you reject them and/or opt for this option?

To decline the repayable loan fund from the Welsh Government. This was rejected due to uncertainties surrounding future capital funding and the need to maximize external funding streams. In order to ensure future funds are available to private sector householders, the way forward is for the Council to replace discretionary grants with recyclable sustainable loan schemes.

C – Why is this decision for the Executive?

Any changes to the Private Sector Housing Renewal policy must be formally approved by the Executive Committee.

CH – Is this decision consistent with policy approved by the full Council?

Yes. Refer to Appendix 1 for proposed revised policy.

D – Is this decision within the budget approved by the Council?

Until the outcome of a bid for capital funding is known, the scheme is to be funded solely by the Welsh Government through the repayable fund for 2014-15 and 2015-16.

| DD – Who did you consult? | | What did they say? |
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| 1 | Chief Executive / Strategic Leadership Team (SLT) (mandatory) | Strategic Leadership Team supportive with no other comments received. |
| 2 | Finance / Section 151 (mandatory) | The following comment has been received. “Finance approve the decision in principle to proceed subject to (i) the Legal department’s approval of the loan and charge agreements and (ii) that the ‘facility monies’ are met from WG funding for the scheme and if successful, the capital bid submitted to Finance. CIPFA have confirmed that they are comfortable with the lawfulness of the transaction. Response: Consultation with both Legal |

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| | | and Finance Services will be on-going. |
| 3 | Legal / Monitoring Officer (mandatory) | <p>The following comments have been received:</p> <ol style="list-style-type: none"> 1. I presume that advice in relation to procurement has been received previously from Legal Services and that it is appropriate for the Council to join the Framework Agreement to use Street UK. <p>Response: David Rossiter, Legal Services has been consulted and has confirmed that Legal has no objection to loA joining the Framework Agreement given Denbighshire's letter. It was suggested that prior to actually using the framework Legal Services have sight of the loan agreement and the charge agreement to be placed in the Schedules. It was also suggested that consideration be given to the "Repayable Fund Agreement" between the loA and the WAG in order to provide a risk profile for the Council.</p> <ol style="list-style-type: none"> 2. It is suggested the confirmation be sought from Street UK to ensure that they have no objection to being named in the report. <p>Response: Written confirmation received from Street UK that they have no objection.</p> |
| 4 | Human Resources (HR) | <p>Comments: "Potential staffing implications resulting from proposal to outsource scheme administration to third party organisation."</p> <p>Response: Street UK are experienced</p> |

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| | | <p>loan providers and therefore outsourcing this specialist element only reduces the financial risk to the Council and ensures consistency in how the loans are administered across the North Wales Region.</p> <p>The technical element of the process will remain in-house.</p> |
| 5 | Property | No comment received. |
| 6 | Information Communication Technology (ICT) | No comment received. |
| 7 | Scrutiny | Scrutiny committee 27.11.14, comments to be reported verbally on 01.12.14 due to tight timescale. |
| 8 | Local Members | All members |
| 9 | Any external bodies / other/s | No |

| E – Risks and any mitigation (if relevant) | | |
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| 1 | Economic | <p>The benefit of the loan is that the funding can be recycled and therefore support can be offered to more households than under the previous grant scheme where a one-off grant was awarded. There is a low risk of default on payments; however, the use of Street UK Services Limited to administer the loans should militate against this due to their robust assessment and monitoring processes. It is envisaged that, over a period of time, the scheme will become self-sustained.</p> |
| 2 | Anti-poverty | <p>Those who do not qualify for a loan and are on low incomes will be impacted and may suffer. There is a risk therefore that vulnerable homeowners who do not qualify for a loan could turn to loan sharks for borrowing money to undertake works at extortionate interest rates. These householders will be offered technical advice on how best to bring or</p> |

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| | | keep their homes in good repair, warm and comfortable to live in and signposted to alternative sources of assistance e.g. Citizens Advice Bureau, Care and Repair and the Financial Inclusion Officer where appropriate. |
| 3 | Crime and Disorder | Not applicable |
| 4 | Environmental | The effect of properties in disrepair will have a detrimental impact on the environment and surrounding area. |
| 5 | Equalities | With the exception of Disabled Facilities Grants, funding for new applications for other grants under the current policy has been exhausted for 2014-15. New enquiries are currently advised to contact the Council in January, 2015, when there is a possibility that assistance under a Home Improvement Loan Scheme may be available. |
| 6 | Outcome Agreements | Not applicable |
| 7 | Other | Subject to agreement, in principle, to amend the policy, consultation with external partners and organisations that are likely to be affected by the changes proposed will take place during December, 2014 and observations will be provided to the Head of Housing for consultation with Portfolio Holder prior to final adoption of the policy. |

F - Appendices:

Appendix 1 Draft Private Sector Housing Renewal Strategy and Policy (2014)

FF - Background papers (please contact the author of the Report for any further information):

Private Sector Housing Strategy and Renewal Policy 2012
Housing (Wales) Act 2014
Housing Grants, Construction and Regeneration Act 1996.
Toolkit for Home Improvements Loan Scheme



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COUNTY COUNCIL

PRIVATE SECTOR HOUSING RENEWAL STRATEGY AND POLICY 2014

PRIVATE SECTOR HOUSING RENEWAL STRATEGY & POLICY

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APPENDICES

Home Improvement Loan Toolkit

Code of Practice for Agents

Code of Practice Acceptance & Agreement

Assessment of Affordability for First Time Buyers

Houses into Homes - Property Renovation Loans

PRIVATE SECTOR HOUSING RENEWAL STRATEGY AND POLICY

BACKGROUND

INTRODUCTION

Following the introduction of the Regulatory Reform (England and Wales) Order 2002 a new Private Sector Housing Renewal Policy was approved in 2004, which was revised in September 2012.

This policy aimed at linking the findings of the private sector housing stock condition survey 2009 , by prioritising applications for assistance from households living in properties with identified Category 1 hazards or in need of structural repair.

Priority was also given to assist householders improve energy efficiency standards of homes, tackling fuel poverty and reducing carbon emissions. This assistance was by means of grant funding which is no longer sustainable under current financial pressures.

In recognition of uncertainties over future capital funding it has driven the need to move away from traditional grants to a form of recyclable loans. It also responds to the announcement by the Welsh Government of a new Home Improvement Loan Fund which is to be launched in January 2015 . This will bring repayable funding in 2014-15 and 2015-16, in addition to the Council's own funding for loans, which local authorities can utilise to assist private sector householders in accordance with their private sector housing policies.

Consequently, the policy as set out below reflects the depletion of grant funding and sets out the types of financial help available to home owners, private sector tenants, and their landlords to improve property condition, or to provide adaptations for people with disabilities. It includes information on eligibility criteria, procedures and conditions of assistance in accordance with Welsh Government aims.

This Policy acknowledges the importance of external funding opportunities which include resources from:-

- Welsh Government Arbed (partially supported through the European Regional Development Fund (ERDF)
- Home Improvement Repayable Loan Fund
- Houses into Homes Repayable Loan Fund
- Welsh Government Viable and Vibrant Places
- Welsh Government NEST scheme
- Energy Company Obligation (ECO).

LOCAL AND NATIONAL STRATEGIC CONTEXT

A key priority within the Council's Corporate Plan for 2013 - 2017 is to "increase our housing options and reduce poverty" and in recognition of the increasingly difficult financial environment the Community Department is committed to:

- Supporting the Council's Strategic Aims & Priorities
- Helping maintain homes that are fit for occupation.
- Tackling fuel poverty
- Promoting the best use of the Island's housing stock.
- Creating communities for local people, encouraging the use of the Welsh language.
- By the use of recyclable loans (other than mandatory Disabled Facilities Grants) and where appropriate incentivise, works to properties in need of essential repairs, improvement, fire safety and energy efficiency in the owner-occupied and private-rented sectors.
- Prioritise the need to bring suitable unoccupied and dilapidated properties back into use as housing accommodation.
- Maximise the use of available resources, recognising that fundamentally it is the responsibility of all home/property owners to maintain their own property.

As noted in the draft Housing Strategy 2014, because of the health risks and effect on quality of life, it is important that private home owners continue to be encouraged to maintain their property. At a time when the availability of grant money to assist this is likely to fall, loan schemes must be made accessible. Loan funding may also assist private landlords to improve the quality of rented homes.

The Enterprise Island Framework, incorporating the Energy Island Programme and Anglesey Enterprise Zone has a number of major strategic investment projects in the pipeline, including, but not limited to, the Nuclear New Build at Wylfa, National Grid North Wales, Grid Connections, the decommissioning of the existing Magnox nuclear power station and Lateral Power's proposed biomass/eco park. These will not only increase the demand for good quality private sector accommodation but increase the risk of existing tenants being displaced by landlords opting to maximize their financial returns from higher rents, thus increasing the number of people faced with homelessness.

The National Housing Strategy for Wales: Improving Lives and Communities – Homes in Wales.

This sets out three key priorities for Wales, these being:

- Increased housing and a greater choice
- Improving homes and communities

- Improving housing related support services and support particularly for vulnerable people and people from minority groups.

The Ten Year Homelessness Plan for Wales 2009-2019

The strategic aims set out in this document are:

- Preventing homelessness where possible
- Working across organisational and policy boundaries
- Placing the service user at the centre of service delivery
- Ensuring social inclusion and equality of access to services
- Making the best use of resources.

The aims of these strategies are reflected in the Housing (Wales) Act which received Royal assent in September 2014.

The new housing powers and obligations in the Act will be important in shaping the approach of the authority in key areas of housing work including prevention of homelessness, improving standards in the private rented sector and bringing empty homes back into use.

The legislative context for addressing poor housing conditions in the private sector and supporting vulnerable households is contained in the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. Article 3 of this Order enabled Local Authorities to develop new means of financial assistance through the provision of loans, including equity release, interest only, interest roll up and repayment loans products. The Community Department will use those powers to provide a wider choice of financial assistance.

Addressing private sector housing issues with limited resources will involve innovative approaches to ensure that as many properties as possible receive the investment required to secure the long term future of the housing stock.

Private Sector Housing Renewal has a key role to play through:

- 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 properties to brought back into use.
- Improving the energy efficiency of dwellings by encouraging and promoting householders to take up Government funded and Energy Companies programmes such as NEST, ECO and ARBED.
- Developing a loan based assistance to allow low income homeowners to improve their properties.
- Use VVP programme to support housing improvements.

In addition there is increasing demand for affordable homes which has been demonstrated by the Social Housing Register held by the Council, the work of the

Rural Housing Enabler, the Affordable Housing Delivery Statement and Welsh Government studies.

Empty and derelict homes in Anglesey represent a significant wasted resource. This is recognised through the Council's Empty Homes Strategy. This strategy seeks to encourage owners to return these properties back into use through a number of methods and providing much needed affordable housing.

Should the Council be aware of a situation that warrants statutory enforcement action, such action will be considered. The principal legislation used by the Council to enforce standards within the private rented sector is the Housing Act 2004.

SRATEGIC OBJECTIVES

There are stark differences between the most prosperous districts on the island and the most deprived. On the basis of the 2011 Welsh Index of Multiple Deprivation the island contains some of the most deprived wards (in Holyhead and Llangefni) and some of the least deprived in Wales. This index of deprivation includes elements directly relating to housing (ie. overcrowding, lack of central heating) and others that are affected by lack of suitable housing (health, community safety, education).

A Private Sector Housing Condition survey carried out in 2008 indicated that 22.3% of private sector housing exhibited a Category 1 hazard within the Housing Health and Safety Rating System. This rose to 35.4 of private rented housing. Housing Health and Safety Rating System (HHSRS) became the national system for assessing housing conditions under the Housing Act (2004) and a category 1 hazard is from a list of 29 listed housing hazards where there is also considered to be a high risk of serious harm.

The Energy Bill (2011) included a provision that from April 2018, all private rented properties must be brought up to a minimum energy efficiency rating of 'E'. This provision will make it unlawful to rent out a house or business premise that does not reach this minimum standard.

Housing Services has a major role to play in addressing the challenges ahead in delivering against the priorities within the Council's Corporate Plan and are committed to:-

- Supporting owner occupiers living in low quality homes to improve them, with particular emphasis on improved energy efficiency, reducing fuel poverty and ensuring that homes are warm, safe or secure.
- offering incentives to owners wishing to return long term empty properties back into use.
- supporting landlords/developers to provide high quality accommodation and increase the number of properties including multiple houses of occupation.

The key objective shall be to move away from the traditional grant system and introduce schemes which are self-funding in the future on the basis that as the loans are repaid, the money is reused to fund future schemes.

In developing this policy the following key issues were considered:

- Welsh Assembly Government Housing Renewal Guidance (Circular 20/02), which requires the strategy to be evidence-based, realistic and achievable.
- The findings of the 2009 Private Sector Housing Stock Condition Survey.
- The need for the Council to play its part in meeting the Welsh Government's expectations.
- The need to provide statutory Disabled Facilities Grants with recognition that demographic changes are increasing the number of elderly and vulnerable people.
- Effective implementation of the Strategy will require significant 'cross-cutting' of service areas and both Council and external organisations will need to agree the delivery of prioritised approaches.
- Implementation cannot be divorced from the Council's duties and responsibilities as the Local Housing Authority.
- The Council has extensive statutory powers to intervene when it considers that housing conditions are unacceptable.
- The impact of poor housing conditions on both physical and mental health and well-being.

The main focus of this strategy is to prioritise support for disabled persons in accessing disabled facilities grants, tackling fuel poverty, empty properties and helping first time buyers.

This policy will also address other priorities such as helping private rented sector landlords with sub standard housing with identified Category 1 or Category 2 hazards.

Based on our understanding of fuel poverty issues on the island, this policy seeks to offer the best solutions possible, with the assistance of external organisations and resources to address fuel poverty and increase energy efficiency in private sector housing.

Fuel poverty occurs when a household needs to spend more than 10% of its income on household fuel in order to maintain a satisfactory level of heating. It is estimated in Wales as a whole that 30% of households and 33% of vulnerable households are in fuel poverty (2012 Projections based on 2008 baseline information – Building Research Establishment BRE). While a figure is not available at Local authority level the lack of gas supply in parts of the island and the age of the housing stock means the level is likely to be higher on Anglesey. Furthermore, in Anglesey 5.3 % of homes do not have central heating and the limited gas network on the island means a high percentage of homes rely on more expensive oil or electric central heating.

TYPES OF ASSISTANCE AVAILABLE

DISABLED FACILITIES GRANTS

Disabled Facilities Grants (mandatory) and the Disabled Facilities Relocation Grant (discretionary) are administered under the Housing Grants, Construction and Regeneration Act 1996, as amended by Schedule 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and Annexe J2 Circular 59/96.

Both grants are available to registered or registerable applicants following a referral from an Occupational Therapist to, as far as possible, provide long-term solution to their housing needs.

Applicants wishing to make an application should in the first instance contact the Social Services Duty Officer on 01248 752734 or 752054

General matters relating to Disabled Facilities Grants

Qualifying applicants:

- will be subject to the National Statutory 'means test' to assess the level of contribution that can be made.
- in receipt of Government means tested benefits will normally not have to make any contribution.
- who can demonstrate their contributions cannot be paid due to financial hardship or other justifiable reasons can apply for a loan for a term to be determined by the third party financial assessor.
- The Council will, with the applicant's consent, refer enquiries to Gofal a Thrwsio Môn/ Care & Repair Agency who are dedicated to assisting older and disabled people and are actively involved in supporting applicants qualifying for Disabled Facilities Grants.

NB: applicants may select a Professional Agent of their choice to act on their behalf.

Eligible Fees and Charges

If Professional Agents are engaged, after Council Approval and confirmed by the Applicant, a Professional Agent can be paid 10% fee including VAT, of the cost Of eligible works above £10,000 and 12% fee for works below £10,000. Where cost of eligible works falls below £2,084 a minimum fee of £250 can be paid.

The following fees can also be considered for grant-aid::

- Building Regulation and Planning permission

- Radon gas survey
- Technical and structural survey
- Specialist reports, e.g. electrical, damp-course, timber treatment

Payment conditions

Payees:

Payments are made directly to the applicant, unless an Agent is engaged who will certify when payments are to be made to the Contractor.

Land Charge

The amount of grant awarded above £5000.00 and up to £36,000 will be registered as a Land Charge on the property for a period of 5 years from the certified date of completion of the works. At the end of the 5 year period or following disposal / transfer of the property the Council will remove the Land Charge from the registered title.

Any grant awarded above £36,000 will be registered as a Local Land Charge in perpetuity.

Repayment of grant on disposal

The Council has adopted under the powers of Article 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and the framework for grants contained in the 1996 Housing Grants, Construction and Regeneration Act 1996 as originally enacted and is applicable to all Disabled Facilities Grants (except under £5,000).

Where the owner of the grant aided property disposes of their interest in the property, either in whole or in part, without the prior consent of the Council, then the owner will be liable to repay the amount of the grant awarded on demand. plus compound interest at the prevailing bank lending rate.

Where the owner of the grant aided property disposes of their interest in the property, either in whole or in part, with the prior consent of the Council, then the owner may be liable to repay the full amount or part thereof, of the grant awarded depending on the circumstances for the disposal, with each case being considered on it's merit.

Disposals up to the prevailing limit are exempt where they relate to the following:

- The owner is making the disposal to live in hospital, hospice, specialist housing, residential care home or similar institution as their main and only residence.
- The owner is making the disposal to live with and care for a member of their family.
- A Mortgagee is in possession.
- In exceptional circumstances the Council will exercise it's discretion not to demand repayment of grant or demand a lesser amount on early disposal, with each case being considered on it's merit.

Fraud – Misappropriation of grant monies

The Council has a policy of zero-tolerance in cases of fraud and abuse in the grants system. Cases of suspected fraud will be thoroughly investigated and, where abuse is identified, will be referred to the police for criminal proceedings to be brought.

Complaints/decision review

The Council operates a formal complaints procedure and a copy is available on request.

Persons concerned about any aspect of the grants service should, in the first instance, write to the Director of Community Department, specifying that the matter is to be dealt with as a complaint and stating the concise areas of concern. Where the area of concern is that a request for assistance has not been appropriately considered in accordance with these conditions, then a review of the decision can be requested.

Performance Targets

The national target is that the decision on a full grant application should be made within 6 months of the date of the application. The Housing Renewal section has adopted an internal target of 3 months to make a decision. This target is internally-monitored and applicants who have not been dealt with within this timescale are able to pursue this matter as a complaint, by writing to the Director of Community Dept as above.

HOME IMPROVEMENT LOANS

(See Annexe 1 - Home Improvement Loan Toolkit) Please Note – That any financial assistance offered is to help meet housing needs and not to generate additional income for the recipient. All assistance will be subject to available finance.

Home improvement loans will be subject to an affordability test and an administration fee of 15% will be applied to each loan in accordance with the regional collaborative agreement.

To ensure that persons on low incomes are not disadvantaged and that with the exception of the mandatory Disabled Facilities Grants (which are subject to a statutory means test), all loans will be subject to an affordability assessment.

To enable authorities to offer Home Improvement Loans the Welsh Government is launching a new Home Improvement Loan scheme in January 2015 and providing a Repayable Fund for authorities, which will be repayable in 2030.

The Welsh Government have indicated that they will fund up to half of a maximum 5% repayment defaults with the Council being responsible for funding the remainder.

The type of loans Housing Services will provide under the scheme will be:-

- **Home Repairs and Improvements**

Assistance to home owners who would otherwise be unable to afford the costs involved in dealing with hazards arising from essential or urgent repairs, e.g. due to serious electrical faults, structural collapse, severe damp problems etc.

The Welsh Government requires that participating local authorities make available loans to owner occupiers and private landlords, with priority being given to owner occupiers and properties identified as having Category 1 and/or 2 hazards.

- **Energy Efficiency works and ECO/VVP shortfall**

Based on our understanding of fuel poverty issues on the island, this policy seeks to offer the best solutions possible to increase energy efficiency in private sector housing. Assistance will be available to improve the energy efficiency of private sector housing which is primarily aimed at supplementing financial support to initiatives funded by the Welsh Government and energy companies. Loans will only be available where these schemes cannot assist.

In an effort to maximize external funding opportunities, the Council is working collaboratively with Flintshire County Council's experienced and specialist Energy Unit to bid for Energy Company Obligation (ECO) and Welsh Government Arbed funding. This Unit has the expertise and experience to

both bid and deliver energy efficiency works to private householders in partnership with the Council.

The Home Improvement Loan scheme will be offered to householders to fund any shortfall between ECO/WG/ Vibrant and Viable Places (VVP) funding and the total cost of the works.

Under the VVP programme in Holyhead, the Council has secured funding to improve the quality and energy efficiency of homes which can run alongside ECO schemes to provide new and upgraded heating systems.

- **Fire Safety measures**

In recognition of the importance of appropriate fire safety measures in multi occupied properties, ie HMO's, Fire Safety Loans will be provided to Landlords to install or upgrade appropriate fire safety equipment. Loans will also be available to encourage structural and safety improvements in multi-occupied properties under Sections 254, 257 and 258 of the Housing Act 2004 "where a property is occupied by three or more unrelated persons who do not form a single household".

- **Disabled Facilities Contribution Loan**

To assist registered or registerable applicants pay their contributions, when other form of funding is not available or unaffordable, in order to access Disabled Facilities Grants.

- **Mains Gas connection in infill areas**

It is proposed that the loan scheme can also encourage private homeowners to connect to mains gas within gas infill areas thus reducing fuel poverty.

Loan Administration

The provision of loans to householders will require a rigorous financial assessment to ensure it is affordable, taking into account household income and expenditure. The scheme will also require a high level of day to day management and control to minimise the risk of default on repayments. This element of the work will be outsourced to a third party organisation.

The Council joined the existing Framework Agreement procured by Denbighshire County Council as awarded to Street UK Services Limited on behalf of the six North Wales Councils.

6.3 Street UK Services Limited is a third party organisation who have managed the administration of Property Appreciation Loans and low income home owner loans on behalf of Flintshire, Denbighshire and Gwynedd County Councils. By using Street UK Services Limited to deliver the scheme on behalf of Anglesey, we will ensure a

consistent approach across the region conforming to Welsh Government requirements.

6.4 Within the framework agreement the Council would agree to transfer its allocated fund to Street UK Services Limited as “Facility Monies” in order to service the loans—“Facility Monies” means the amount of funding provided by or on behalf of the Council to the Company for the purpose of providing loans.

Before awarding any loans the council must have regard to the ability of the person concerned to make that repayment. Consequently, it is incumbent that we ensure that the product offered is suitable and affordable.

General matters relating to Home Improvement Loans

Whilst acknowledging that maintaining homes is the responsibility of the owner/occupier assistance is targeted to those homes that are either in need of repair, improvement or adaptation to meet the specific needs of the householder.

In order to maximise the limited financial resources available, the Council will seek to target those homes in the most need and where the person(s) responsible are unable to afford to undertake the required works within their own resources.

Assistance will be subject to a financial affordability assessment carried out by a specialist third party (Street UK Ltd) and monies will be available to ensure that essential renewal elements are met and that the property is safe, comfortable **or/and** warm.

The Council will provide appropriate advice and assistance as follows:

- Enquirers will be advised of the loan qualifying criteria and, where appropriate, will be asked to complete an ‘Expression of Interest Form’.
- Qualifying persons will be referred to Street UK Limited financial assessor to determine eligibility and where appropriate administer the loan.
- Where loan assistance is unlikely to be available, householders will be informed at the earliest opportunity so as to enable them to make alternative arrangements.

The amount of loan payable will not exceed the 80% LTV prescribed maximum amounts stated. The loan payment will, as a priority seek to make the property safe, warm **or/and** comfortable for occupation.

Qualifying persons

For grants and loans qualifying persons should be:

- aged 18 or over at the date of application

- be the owner – the person legally entitled to occupy the property as their home and able to dispose of their interest.
- Be the Landlord – who has a duty to maintain the property and agrees to keep the property available for letting for 5 years.

NB. Leaseholder/Tenant – will not be eligible for loans

Local connections

When funding opportunities exist, such as currently within the VVP programme in Holyhead, First Time Buyer Grants may be offered to qualifying applicants / future beneficiaries are required to have a connection with Anglesey, which is defined as:

- For at least 5 years, having their only or principal residence on Anglesey, or have their place of work on Anglesey or a combination of both.
- Where not resident on Anglesey, written evidence confirming that an offer of employment has been made.
- Having established links, e.g. elderly people who need to move to a locality to be close to relatives.

Also Time Buyer – Renovation Grant, applicants will be eligible if they conform with the eligibility criteria above and:-

- a first time buyer
- acquired the property to be their home
- the identified property has been empty for 6 months or more at the time of enquiry.

NB To qualify for a grant confirmation of first time buyer status required from their mortgage provider.

Eligible Works:

These will be confirmed, following an inspection by the Council and will either be:

- Affordable within the prevailing loan limits.
- or
- exceed the maximum loan payable in which case, the most essential elements will be prioritised.

The Council must be satisfied that any work must be the most appropriate course of action and use of public finance.

Professional Agents:

Loan Applicants will be required to use Agents where they are unable to submit an appropriate application or where due to the complexity of the works they are requested to do so by the Council. Before their engagement the Council must confirm receipt of the required Certificate of Compliance duly signed by the Agent.

After their engagement Applicants will be required to submit Certificates confirming that they are satisfied with the quality and the amount of work undertaken.

The Code of Practice for Agents, (**see Annex III**) issued by the Council sets out the key elements of the Agents role and contains a Certificate of Compliance / Applicants Appointment Agreement (**Annex IV**) that must be signed, returned and written acceptance issued by the Housing Renewal Section before an Agent can be engaged.

Also see the Summary of Council, Applicant, Agents and Contractors Responsibilities

The Code of Practice for Agents

Issued by the Council sets out the key elements of the Agents role and contains a Certificate of Compliance / Applicants Appointment Agreement (Annex III) that must be signed, returned and written acceptance issued by the Private Sector Housing Renewal Section before an Agent can be engaged.

WELSH GOVERNMENT ‘HOUSES INTO HOMES’ LOAN SCHEME

Isle of Anglesey County Council is committed to adopting the key principles of the Welsh Government “Houses into Homes” Loan Scheme to incentivise home-owners to bring empty properties back into use

Following the introduction and the success of the Empty Homes Strategy and initiatives in 2012 an Empty Homes Loan scheme was made available by the authority and supported by the Welsh Government in the form of Houses into Homes funding. This scheme is to assist in bringing empty homes back into use to maximise the contribution that empty homes can make to meeting affordable housing needs.

The funding made available by the Welsh Government is an interest free repayable fund which the Council can utilise to provide up front capital to empty home owners to renovate them and bring them back into use, to sell or to let.

The Welsh Government has announced that additional repayable funding is to be made available in 2015-16 to enable authorities to continue with their Houses into Homes Loan programme.

Conditions attached to Houses into Homes Loans

The Council will provide advice to potential applicants on the loan application process and the criteria that needs to be met for a grant application to be successful.

This is a scheme that has been developed to offer interest free loans from £1,000 up to £25,000 to renovate and/or convert empty properties so that they are suitable for occupation. The information contained at Annexe V describes how the Home Improvement Loan scheme and the 'Houses into Homes' Loan Scheme will operate, how to make an application and the conditions that will be attached to the loan.

All loans approved will be subject to a number of conditions to ensure that the loan fund monies are "recycled" to further assist empty property schemes and repairs or improvements. Any offer of a loan is not guaranteed until you have received formal approval from the third party Financial Assessor or the Council. Any works you undertake prior to this approval will be at your own risk.

Purposes for which a Houses into Homes Loan may be applied for:

- To convert an empty property or commercial building into one or more units to the Houses into Homes Standard (as a minimum), so that it is suitable for immediate occupation, whether by for sale (loan to sell) or to let (loan to let).

Purposes for which a Home Improvement Loan may be applied for:

- To repair or improve a dwelling to a reasonable standard, free from Category 1 or 2 hazards (as a minimum), energy efficiency measures or fuel switching so that it is safe, warm and comfortable for occupation. Please refer to Annexe V- Appendix C (Home Improvement Standard). The property must have been vacant for a minimum of 6 months.

On completion , the works must: -

- result in the property/units being suitable for immediate occupation as a dwelling(s),
- Comply with all relevant Building Regulations, and
- Achieve the Houses into Homes Standard

A schedule of works, competitively priced by two contractors, will be agreed with the applicant prior to the offer of any loan and will form part of the loan conditions.

Any costs, which would be eligible for assistance under an insurance claim or third party claim, will not attract loan assistance. In exceptional cases, a loan may be given on condition it is repaid out of the proceeds of any future claim.

Works outside the curtilage of the property are not eligible for assistance unless they relate to the provision of essential services such as water, gas or electricity.

Enquiries for a loan can be made either by telephone, post, in person at the Council offices or via the Houses into Homes website.

All enquiries for a loan will be acknowledged by letter and dealt with in accordance with the 'Houses into Homes Scheme' procedures (Annex V - Appendix B)

Loan assistance will not be available for the following: -

- Properties, which are not of a permanent nature such as houseboats and caravans.
- Sheds outhouses and extensions such as conservatories.
- Buildings not suitable for conversion to habitable dwellings.
- Buildings where at least 40% is used by the applicant and/or his family as their home.

Persons applying for loans may either be existing or prospective owners, but in either case must be able to supply security for the loan as detailed in Annex V Appendix B. Please note that the property must be registered with the Land Registry in the applicants name before the loan can be approved. Loans will not be available for tenants.

Professional Agents: as for Home Improvement Loans above

Loan Payments:

Payments are made directly to the applicant.

Loan Security

All loan applicants will be required to agree to a Legal Charge being placed on the property, which is the subject of the loan application, to secure the loan. Agreement may be made in exceptional circumstances to accept a charge on an alternative property. All Legal Charges must be either first or second, where the County Council receives confirmation from the First Charge Holder that it consents to a second charge. Third or subsequent charges will not be accepted.

Where it has been agreed to accept a Legal Charge on an alternative property that is not the subject of the loan application, the alternative property must be located in

England or Wales. However, the additional legal costs associated with this arrangement must be paid by the applicant. Any property offered as security for the loan will require a valuation prior to the advance of any loan. **In exceptional cases**, where the property is unmortgaged and there is clear evidence to support the view that the property provides adequate and suitable security for the loan, a valuation report will not be required.

Fraud – Misappropriation of Loans:

The Council has a policy of zero-tolerance in cases of fraud and abuse in the **loan** system. Cases of suspected fraud will be thoroughly investigated and, where abuse is identified, will be referred to the police for criminal proceedings to be brought.

Complaints/Decision Review:

The Council operates a formal complaints procedure and a copy is available on request.

Persons concerned about any aspect of the loans service should, in the first instance, write to the Director of Communities, specifying that the matter is to be dealt with as a complaint and stating the concise areas of concern. Where the area of concern is that a request for assistance has not been appropriately considered in accordance with these conditions, then a review of the decision can be requested.

GRANTS / LOANS IMPORTANT CONSIDERATIONS:

- All grant / loan assistance is subject to available finance on a yearly allocation basis.
- The need for grant / loan assistance exceeds the finance available, so applications have to be prioritised to assist those persons in the most need.
- In prioritising assistance the Council will seek to meet its Strategic and Corporate Objectives.
- To make the best use of available resources, where indicated in this document , a 'means test' is used to determine the level of individual contribution towards the costs of the required works.
- Apart from a mandatory Disabled Facilities Grants assistance is discretionary, so there is no automatic right to a loan.
- Qualifying applicants are invited to apply for a grant / loan and a Waiting List of Qualifying Enquiries is maintained, in date order relating to the type of grant / loan required. The Waiting List determines the priority allocation of monies as resources allow. Acceptance of an application does not guarantee that financial assistance will be available.

- Assistance may be in the form of advice and subject to the individual's agreement to accord with Data Protection legislation, referral to other organisations.
- The Grants / Loans Section will provide assistance with the required paperwork if required, subject to the necessary Data Protection authority being provided.
- The Private Sector Housing Renewal Grant & Loan Conditions provide more detail on the process.
- All works should be completed within the stipulated periods included in the approval notice. It is only possible to extend beyond the stipulated period if a formal Extension Request has been submitted and approved by the Council.
- Failure to submit such a request BEFORE the end of the completion period will result in no further payments being made.

KEY ELEMENTS OF AVAILABLE ASSISTANCE

DISABLED FACILITIES GRANT (DFG)

Priority: A Mandatory grant administered under the Housing Grants, Construction and Regeneration Act 1996 Sections 19-24 as amended by Schedule 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. Available to registered or registerable applicants to, as far as possible, provide long-term solution to their housing needs.

Available to: Owner-occupiers, private tenants and private landlords for their disabled tenant.

Status: A mandatory grant.

Pre-Conditions:

- The works required must be reasonable and practical and be supported by an Occupational Therapist (OT) based on a needs assessment.
- Housing Officers will consider whether the work is reasonable and practical having regard for age and condition of property.
- No availability of suitable, alternative housing (See Relocation Grant).
- Financial resources means test and payment of contribution by applicant prior to commencement of work.
- Where the applicant is a tenant a signed and dated letter of consent from the property owner must be submitted.
- A Certificate of Title or Land Registry confirmation must be provided.

Grant Payable: Up to a statutory maximum of £36,000.00 with discretionary grant to increase to £80,000 with approval of the Council's Head of Housing Services and Member Portfolio Holder. All grants above £80,000 subject to approval of the Executive.

Payments:

- Applicant's contribution to be paid to the Council prior to issue of grant approval.
- Grant to be paid to the Contractor(s), in stages where appropriate or on completion of the works. Payments to be confirmed by site inspection and receipt of detailed invoices. Inspection within 5 days of invoice submission.
- Where a Professional Agent is engaged and agreed with the Council, 50% of their fee at grant approval stage and 50% on completion of the work.

Note:

- Grant works are to be completed within 12 months of approval date .
- Grant above £5000.00, will be registered as a Land Charge on the property for a period of 5 years from the certified date of completion of the works. Grant awarded above £36000.00 will remain registered as a Land Charge in perpetuity, ie until repaid, for example when the property is sold or transferred, or earlier by the Householder.

DISABLED FACILITIES (RELOCATION) GRANT

Priority: A discretionary grant administered under the Housing Grants, Construction and Regeneration Act 1996 Sections 19-24 as amended by Schedule 3 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

Available to: assist owner occupied registered or registerable disabled applicants to buy, adapt and move to a more suitable and cost effective home that better meet their needs. Only one Relocation Grant can be awarded in any 5 year period.

Status: A discretionary grant

Pre-Conditions:

- The property must be within the County.
- A full RICS Homebuyers report will be required on the property.
- The works required must be reasonable and practical and be supported by an Occupational Therapist (OT) based on a needs assessment.
- Housing Officers will consider whether the work is reasonable and practical having regard for age and condition of property.
- Availability of suitable, alternative housing .
- Financial resources means test
- A Certificate of Title or Land Registry confirmation must be provided.

Grant Payable: Up to a maximum of £36,000.00 or 50% of the estimated cost of adaptation work to their current home, subject to approval of the Panel.

It is payable on evidence that suitable, alternative housing has been secured either by purchase or by renting / leasing where security of occupation must be for over 5 years

Payments:

- Grant to be paid to the applicant on completion of sale
- Professional Fees are payable with agreement of the Council,

Inspection: Within 5 working days of request.

Note:

- Grant above £5000.00, will be registered as a Land Charge on the property for a period of 5 years from the certified date of completion of the works. Or earlier for example when the property is sold or transferred within the 5 year period.

DISABLED FACILITIES CONTRIBUTION LOAN.

Disabled Facilities Grant is a statutory means tested grant and applicants who cannot pay their means tested contributions often end up without access to a mandatory grant. As the national means test accounts only for income and savings, outgoing expenditure is disregarded which often results in applicants being unable to afford their contribution and consequently excludes them from accessing grant. .

To assist applicants pay their contributions, when other form of funding is not available or unaffordable, in order to access Disabled Facilities Grants.

Available: To owner-occupiers and tenants

Pre-Conditions:

- Financial resources affordability assessment.

Loans Payable:

Subject to an affordability assessment , no minimum but a maximum of £5,000, plus 15% administration fee added to the loan and repaid over the term of the loan.

Payments:

- Loan to be paid to the Applicant on submission of evidence of affordability.

Note:

Loan will remain registered as a Legal Charge with the Land Registry until repaid or earlier if the property is sold or transferred.

HOME REPAIR LOAN

Priority: To make emergency repairs to identified Category 1 and 2 hazards under the Housing Health and Safety Rating System to make the property safe, warm and comfortable.

Available: To owner-occupiers and landlords

Pre-Conditions:

- Property to be in need of repair as identified by the Council.
- Financial resources affordability assessment.

Loans Payable:

Subject to an affordability assessment a minimum of £1,000 up to a maximum of £25,000, plus 15% administration fee added to the loan and repaid over the term of the loan.

Payments:

- Loan to be paid to the Applicant, on receipt of bone fide invoice/s
- Inspection of works within 5 working days of receipt of invoice.

Note:

- Loan works are to be completed within the stipulated timescale as shown on the loan agreement.

Loan will remain registered as a Legal Charge with the Land Registry until repaid or earlier if the property is sold or transferred.

ENERGY EFFICIENCY LOAN

Priority: - to help alleviate fuel poverty and to improve the energy efficiency of properties.

Available: To owner-occupiers and landlords.

Priority will be given to:

- Persons without a central heating system
- assist householders access ECO/Arbed ECO funding which will help them meet the cost difference between the cost of works and level of funding available from external sources.
- Persons in mains gas infill areas who wish to take advantage of fuel switching to mains gas.

Loan Payable:

- To encourage private owners/occupiers and landlords take up mains gas connection in gas infill areas.
- To offer assistance to provide loft insulation (including top up of existing levels), external wall insulation, cavity wall insulation, draught-proofing and pipe-lagging where other source of external funding is not available.
- To provide a central heating system, or replacement system or part of an existing system, older than 15 years where it is not financially viable to repair, ie the cost of repair is more than 50% of the cost of replacement
- double glazing subject to funding being available.
- The Applicant where appropriate will in the first instance be directed to other Government funded schemes for assistance e.g. NEST, GREEN DEAL or ECO.

Pre-Conditions:

- Applicants must be unable to obtain assistance through other Government or energy companies initiatives
- Heating/double-glazing assistance subject to insulation and draught-proofing requirements being met.
- Financial affordability assessment..

Loan Payable: Subject to an affordability assessment A minimum of £1,000 and up to a maximum of £25,000.00, plus 15% administration fee, payable after completion of the works and on receipt of an acceptable invoice .

Note:

- Loan works are to be completed within the stipulated timescale as shown on the loan agreement.
- Loan will remain registered as a Legal Charge until repaid or earlier if the property is sold or transferred.

FIRE SAFETY LOAN

Purpose: - Assistance for landlords to provide appropriate fire safety measures in multi occupied properties, ie HMO's, Such works could be installation of or upgrade fire safety equipment and or structural and safety improvements.

Available: To the person responsible for the fabric of the property.

Pre-Conditions:

- Property to be older than 10 years.
- Work to be subject to Environmental Health Service's Enforcement requirements

- The Landlord will be required to join the Landlords Accreditation Scheme, prior to receipt of a loan, details are available on <http://www.welshlandlords.org.uk/landlord-accreditation/other-accreditation-schemes.aspx>

Loan Payable: Subject to an affordability Assessment a minimum of £1,000 and up to a maximum of £25,000.00 , after completion of the works on receipt of an acceptable invoice .

Inspection: Within 5 working days of request.

Note:

- Loan works are to be completed within the stipulated timescale as shown on the loan agreement.
- Loan will remain registered as a Legal Charge until repaid or earlier if the property is sold or transferred.

FIRST TIME BUYER RENOVATION LOAN

Priority: to respond to the increasing need for affordable homes a First Time Buyer Loan will be available to assist in renovating vacant homes and bringing them back into use. This loan will be subject to an Assessment of Affordability

Available: To absolute first time buyers with a local connection to renovate empty properties and bring it back into use as their home.

Pre-Conditions:

- The property must have been empty and unoccupied for at least 6 months prior to the application for a grant.
- To person/s who have confirmed as not previously owned a property.
- To person/s who cannot access main street Bank loans due to hardship
- To person/s whose annual income is less than £40,000.
- To person/s whose mortgage is not less than 75% of the current value of the property.
- The property must be occupied by the applicant for at least 5 years after completion of the works
- The property should be in a safe warm and comfortable state on completion of works and as far as possible, meet the Welsh Housing Quality Standard (WHQS)

Loan Payable: Subject to an affordability assessment a minimum of £1,000 and up to a maximum of £25,000.00 , after completion of the works on receipt of an acceptable invoice .

Inspection: Within 5 working days of request.

Note:

- works are to be completed within the stipulated timescale included on the loan agreement.
- Loan will remain registered as a Legal Charge with the Land Registry until repaid or earlier if the property is sold or transferred.

HOUSES INTO HOMES EMPTY PROPERTY LOAN SCHEME**Priority:**

- To owners of empty homes or commercial properties to undertake renovation works to bring empty properties back into residential use on a “loan to sell” or “loan to let” basis.
- Available funds will be targeted towards properties in areas of housing need

Discretionary Loan**Available:**

- To individuals and companies, if they already own an empty property or are considering buying an empty property in Anglesey.

Pre-Conditions:

- The property should, as far as possible, meet the Houses into Homes Standard. **(Annex V - Appendix C)**
- The conversion/repair works must be carried out within an agreed time period.
- The property/units must be marketed for sale or for let within a reasonable period of time after completing the works (12 weeks). If the property/units are available for rent and are not occupied within this time period, then the loan may become repayable.
- The loan must be repaid either on or before the date as specified in the Loan Facility Agreement.
- A legal charge will be made on the property to secure the loan, for the duration of the loan.
- The property must have been empty and unoccupied for at least six months.

Loan Payable:-

- Up to a maximum of £25,000 per individual unit of accommodation up to a maximum of £150,000 per applicant.
- Taking into account any existing mortgage, any loan offered cannot exceed 80% of the current property value.
- **Payments:**
- Payment will be made to the applicant within fourteen working days of the Council Legal Services confirming that the Financial Charge(s) have been registered.
- Where the loan exceeds £25,000 the Council reserve the right to make staged payment.

Repayment:-

- Where the loan approved is a “Loan to Sell” the loan will be repayable immediately on sale and no later than the date stipulated in the Loan Facility Agreement (maximum of 2 years).
- Where the loan approved is a “Loan to Let”, the loan will be repayable no later than the date stipulated in the Loan Facility Agreement (maximum of 3 years), unless there is an earlier disposal of the property or the units within the property are divided and all sold on the same day.
- Where the property is to be converted into units and there is a disposal of one or more units (prior to the fixed dates set out in the terms of the Loan Facility Agreement), then on each such disposal of a unit, the applicant must repay the lesser amount of the gross sale proceeds and the amount of the loan outstanding.
- If, after all such disposals, monies are still outstanding under the loan, then the applicant must repay such monies on whichever occurs the earlier of the disposal of the final unit or the relevant date as set out in the loan agreement.

Note

- Only one loan will be awarded per property.
- subsequent loans may be permitted, subject to the condition that no applicant may hold loans awarded through the Houses into Homes Empty Property Initiative, to a value greater than £150,000 at any one time.
- Works are to be completed within an agreed timescale, as set out in the loan agreement document.

- Funds will be prioritised at areas and properties where the Council is aware and has evidence of the greatest housing need on the

SUMMARY OF COUNCIL, APPLICANT, AGENTS & CONTRACTORS RESPONSIBILITIES

Council

- To process the Grant / Loan Application in agreed time scales.
- Where a request is made to consider the appointment of an Agent and provide a written response as appropriate.
- Before authorising payment, ensure that any contractual variations have been agreed by the Applicant and that the costs incurred are justified and arithmetically correct.
- Check all Tenders received to ensure that all items are included and eligible for grant / loan.
- Provide appropriate advice and assistance throughout the grants / loans process.
- Liaise with the Applicant, Agent and Contractor as required highlighting issues of concern as they arise.
- Ensure that all documentation is correct and validated, where any doubt arises to undertake appropriate investigation.
- Maintain a photographic record of the grant / loan assisted works undertaken.
- Undertake the required random sampling of approved applications to ensure that Council policy and procedures are being followed.

Applicant

- Confirm appointment of Agent and / or Contractor as required, submitting the appropriately signed Certificate of Compliance / Applicants Appointment Agreement and receiving the signed acceptance from the Grants / Loans Department before engaging an Agent.
- Monitor the performance of an appointed Agent maintaining an effective working relationship.
- Highlight issues of concern as they arise.
- Where applicable, pay amounts due on time.
- Confirm contractual amendments and work cost estimates in writing.
- Ensure appropriate house and contents insurance are in place and that any persons with a legal interest in the property are advised of the works being undertaken, eg Mortgage Provider, Landlord.
- Complete works within the agreed timescale.

Agent

- Sign the Certificate of Compliance and comply with the Agents Code of Practice.
- Ensure that the Applicants interests are protected at all times.
- Provide additional support , advice and assistance, where required, for older and vulnerable applicants
- Undertake tendering for the appointment of Contractors maintaining evidence that tendering procedures have been appropriately followed.
- Ensure that only competent Contractors are engaged.
- Monitor the Contractors performance and quality of work and carry out periodical inspections.
- Liaise with the Council and highlight issues of concern as they arise.
- Issue contract amendments and work cost estimates required ensuring that they are counter signed by the Applicant.
- Check, confirm and approve payments.
- Obtain signed certification from the Applicant that they are satisfied with the quality and amount of works undertaken.
- Check, confirm and approve Final Accounts.

Contractor

- Provide written confirmation of start and completion dates.
- Undertake works to recognised professional standards and Codes of Practice.
- Ensure compliance with applicable Health and Safety Legislation and good practice requirements.
- Highlight issues of concern as they arise.
- Take reasonable and appropriate measures to protect the Applicants belongings.
- Only commence additional works where the Applicant / Agent have provided written instruction.
- Ensure that appropriate Public Liability Insurance is secured before commencing any works.