

Housing Services

Financial Assistance Policy



Version 3 – August 2020

Document Control:

Version No	Summary of changes	Date of Issue	Updated By	Approved by
2	Policy updated with changes approved by cabinet on 12.7.2017 re: excess and contribution loans and to include loan provisions for homeowners at risk of repossession and homelessness.	August 2017	B. Bearne	Director EGDS & Cab Mem
3	Policy updated to include in one document current approved housing services financial assistance policies with the inclusion of the Homeowner Improvement Loan approved in accordance with the decision of Cabinet on 14.11.2019.	August 2020	Sam Dixon	Director EGDS & Cab Mem

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1.0 Introduction

- 1.0 The Council can offer financial assistance in the form of grants or loans towards helping improve or repair homes in the private sector and also to prevent Homelessness within the Borough. This Policy sets out what assistance the Council is able to offer, whether it is a loan or a grant and what it can be used for.
- 1.1 Grants and loans within this document are provided through the Housing Grants Construction and Regeneration Act 1996, via The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and are also provided by the Council in accordance with the Localism Act 2011.
- 1.2 Discretionary assistance schemes detailed within this policy are dependent on the availability of external funding and can be withdrawn at any time.
- 1.3 Other discretionary loans can be brought on line as / when identified by the Council.

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

- 1.4 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 equipped local authorities with a wide-ranging power to provide assistance for housing renewal based on the principle that repairs are fundamentally the responsibility of the property owner but grant assistance should be given in particular circumstances.
- 1.5 Poor quality housing can have an adverse effect on the health and well-being of the occupants and the presence of long term empty properties can be blight on the neighbourhood.
- 1.6 Parts of this policy make use of the powers provided under The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to broaden the scope of Disabled Facilities Grants and to offer alternative forms of Discretionary grants for disabled, elderly, low income and other vulnerable residents with the borough of Stockton-on-Tees.
- 1.7 Additional discretionary assistance may be provided to prevent homelessness, improve the health and well-being of Stockton-on-Tees residents, particularly those considered to be more vulnerable.
- 1.8 The Council recognises that assistance cannot be made available to all residents. Mandatory Disabled Facilities Grants under the Housing Grants Construction and Regeneration Act 1996 will continue to be offered to applicants who meet the eligibility criteria. Mandatory DFG applicants will not be disadvantaged by discretionary grants
- 1.9 No works shall be carried out without a written formal grant approval. No retrospective applications will be considered.

2.0 Advice and Practical Support

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2.0 In partnership with Yorkshire Housing, the Home Improvement Agency, advice is available to all residents to enable them to make informed choices about the options available to them for home improvements, adaptations and relocation. Advice and practical support can be provided in relation to:

2.1 Repairs and Adaptations

- Identifying what works are required to repair or improve the home;
- Carrying out home maintenance, preventative and improvement works or access the local 'Handy Person' Service (where this exists);
- Understand what the work may cost if a contractor is required, and the options for funding the work. This may include helping to consider charitable or family funding, use of insurance cover, or how an Independent Financial Advisor may be able to help, and sign posting to suitable local firms;
- Decide whether staying put or relocation offers the better solution for their circumstances

2.2 Repossessions and Homelessness

- Make a referral to Citizens Advice Bureau for advice and guidance.
- Make a referral for a loan to address mortgage arrears to prevent homelessness.

3.0 Mandatory Grants

3.0 Disabled Facilities Grants

3.1 The provisions governing mandatory Disabled Facilities Grants (DFG) are contained in the Housing Grants, Construction and Regeneration Act 1996 (the 1996 Act), as amended by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. The Order extended mandatory DFG eligibility to those occupying park homes and houseboats.

3.2 Provided they meet the defined criteria, all owner-occupiers and tenants, licensees or occupiers are eligible for DFG. Private Sector landlords and Register Providers (RP) may also apply for a DFG on behalf of a disabled tenant but the tenant must also satisfy the relevant requirements under the same means testing arrangements.

3.3 DFG for Registered Providers

All Registered providers operating in the area will be asked to make a contribution if a tenant makes an application for a DFG. The receipt of any contribution entirely depends on the provider's Adaptation Assistance Policy, stock profile, asset management strategy of adapted properties and their financial position to make any contributions.

**Amount of Grant available:
Up to £30,000**

[For further information on mandatory DFG Grants please refer to the Disabled Facilities Grant Policy 2019](#)

4.0 Discretionary Assistance available

DFG Top Up Loans

4.0 Homeowner DFG Top Up Loan

A Homeowner DFG top up loan is available to Homeowners where the cost of works for their DFG exceeds the £30,000 limit. Clients must contribute the excess funds themselves before any work can commence on their DFG. This loan is available to those homeowners who cannot access a mainstream loan, depending on the homeowners financial circumstances a repayable loan can be offered on either a Capital or Interest repayment basis, an Equity Loan or an Interest Free Loan.

**Amount of assistance available:
From £100 up to £10,000**

For further information on this loan please refer to the Disabled Facilities Grant Policy 2019

4.1 Homeowner DFG Loan

A Homeowner DFG Loan is available to Homeowners where following the DFG means test, a client may be required to make a financial contribution to their DFG works. Clients must contribute the excess funds themselves before any work can commence on their DFG. This loan is available to those homeowners who cannot access a mainstream loan, depending on the homeowners financial circumstances a repayable loan can be offered on either a Capital or Interest repayment basis, an Equity Loan or an Interest Free Loan.

**Amount of assistance available:
From £100 up to £7,000**

For further information on this loan please refer to the Disabled Facilities Grant Policy 2019

4.2 Tenant DFG Loan

A tenant DFG loan is available to tenants where following the DFG means test, a client may be required to make a financial contribution to their DFG works. Clients must contribute the excess funds themselves before any work can commence on their DFG. Loans under this category are available to those clients who cannot secure any other form of mainstream lending and are limited to a repayable loan or an interest free loan depending on the clients financial circumstances. This loan is approved on a case by case basis by the Council.

**Amount of assistance available:
The value of the loan will be determined on a case by case basis by the Council and will reflect individual client's needs.**

For further information on this loan please refer to the Disabled Facilities Grant Policy 2019

4.3 Equipment Loan Scheme

In ensuring that the funding available for Disabled Facility Grants can benefit the maximum number of recipients, a scheme of re-commissioning key equipment such as ramps and stair lifts or other removable equipment which fulfils the criteria is in operation in Stockton-on-Tees. This is a loan of adaptation equipment following an occupational therapist assessment to ensure clients meet the criteria of the scheme. As this is not a financial loan no means test is carried out because the Council will get the equipment back once it is no longer needed by the Client.

**Assistance available:
Loan of Ramp or Stairlift equipment**

For further information on this loan please refer to the Equipment Loan Policy 2019

4.4 Homeowner Improvement Loan

A Homeowner Improvement Loan (HIL) is available to vulnerable homeowners who do not have the financial means available to fund essential repair/s to their home and are unable to access mainstream lending. Depending on the clients financial circumstances an Equity Loan or an Interest Free Loan is available.

**Amount of assistance available:
Up to £10,000**

For further information on this loan please refer to the Homeowner Improvement Loan Policy 2020.

4.5 Fire Safety Loan

A fire safety loan is available to vulnerable homeowners, tenants and landlords who do not have the financial means available to carry out essential improvement works to meet basic statutory requirements for fire safety. At the present time this loan is restricted to all owners, tenants and landlords in Claymond Court, Norton (Anstey & Gilpin House). This repayable loan is offered on an Interest Free repayment basis only.

**Amount of assistance available:
The value of the loan will be determined by the specification of the works compiled by Stockton-on-Tees Borough Council.**

For further information on this loan please refer to the Fire Safety Financial Assistance Loan Policy 2017

4.6 Homelessness Prevention Loans

Homelessness Prevention Loans are available to homeowners to prevent them losing their home and becoming homeless

**Amount of assistance available:
Up to £4,000**

For further information on this assistance please refer to the Homelessness and Housing Solutions Financial Assistance Tool Kit Policy 2019

5.0 Loans Administrator

- 5.0** With the *exception* of the Fire Safety loan, all loans provided through this financial assistance policy will be administrated by a **Loans Administrator** (LA), currently the Five Lamps Organisation. The role of the LA, which is free to the applicant, will be to ensure any loan offered is suitable, appropriate and affordable to the applicant.

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- 5.1** The provision of financial assistance by the LA will be governed by the Financial Conduct Authority (FCA) Regulations. This means that any loan product offered to the applicant will have to be appropriate to their personal circumstances. As such the applicant may be referred by the LA to an Independent Financial Advisor and/or a property valuation may have to be obtained from a registered valuer.
- 5.2** Applicants eligible for financial assistance will be provided with a loan offer document. Applicants who accept the terms and conditions of the Loan Agreement will be given a 14 day 'cooling off' period within which they can change their mind if they wish to do so.

6.0 Eligibility Criteria

- 6.0** Financial assistance will be available to homeowners, tenants and landlords across the whole of the Stockton-on-Tees borough. However, there may on occasions be a need to target specific areas due to the conditions that exist or because it is a specific requirement of a particular funding provider.
- 6.1** Loans will be provided to Homeowners, tenants and landlords who on the date of the enquiry:
- Are aged 18 or over and
 - Have lived in (and in the case of homeowners and landlords have also owned) the property as their main residence for a minimum period of 12 months
 - The repairs do not fall under the landlord's general responsibilities or under the tenancy agreement.
 - In the case of tenant's, supply permission from the landlord for any works to go ahead and that it is the intention of the landlord to let the property to the applicant for at least the next 12 months from the date of application.
- 6.2** The Council reserve the right to refuse loans to those clients who are already in 'arrears' to the Council.
- 6.3** Eligibility for financial assistance from persons from abroad will be limited to those that have leave to remain in the UK and are not subject to any condition that prevents them having recourse to public funds.
- 6.4** For detailed eligibility criteria please refer to the individual loan / grant policy documents detailed in Section 3 & 4.

7.0 Financial Assistance Conditions

- 7.0** With regards to repairs and adaptations Financial Assistance will not be paid for works that have already begun prior to loan approval.
- 7.1** Where the word 'sold' appears in relation to a change of ownership of the property and a condition applies, the condition will also apply should the property be disposed of, assigned, transferred or otherwise, including the transfer to family members, or is no longer occupied by

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the Client as principal residence.

- 7.2** Once an application for financial assistance is approved, the assistance will be registered as a legal charge and in relation to assistance for the purposes of Disabled Facilities a local land charge on the property. This will be carried out before any assistance is paid.
- 7.3** In relation to Disabled Facilities Grants, the charge will apply for a period of up to 5 years from the date at which the Council certifies that the eligible works have been carried out to their satisfaction ("the certified date").
- 7.4** In relation to the Capital and Interest Repayment Loan, should the Client wish to make a relevant disposal of the property before repayment of the loan is complete, the loan amount that is outstanding must be repaid to the Council upon the disposal of the property.
- 7.5** Reducing the priority of the charge or removing the charge will only be undertaken in exceptional circumstances. A charge is binding on the person who is for the time being an owner of the premises concerned.
- 7.6** Where a condition is broken, the Council has all the usual remedies in law to secure repayment including enforcement of the charge.
- 7.7** For detailed conditions please refer to the individual loan/ grant policy documents detailed in Section 3 & 4.

8.0 Repayment of Financial Assistance

- 8.0** It is a condition of all forms of assistance that, where an owner makes a relevant disposal of the property or a tenant vacates the property, other than an exempt disposal, they will be required to repay the financial assistance to the Council.
- 8.1** Where any condition is breached, the Council may decide not to make any demand for whole or part repayment. Each case will be considered on its merits. A decision will primarily be based on the financial hardship that will be experienced by the Client as a result of repayment of the assistance.
- 8.2** For detailed repayment conditions please refer to the individual loan / grant policy documents detailed in Section 3 & 4.

9.0 Enquiry Process

- 9.0** For information on how to apply for a loan / grant please see the relevant Policy relating to that particular assistance.
- 9.1** Any further enquiries can be directed to the Housing Service via email at housingregenerationinvestment@stockton.gov.uk or telephone 01642 526537.

10.0 Complaints and Redress

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- 10.0** If you have any complaints about this policy we will investigate your complaint and will look carefully at the issue you have raised. Please forward any complaints regarding this policy to the Housing Regeneration and Investment team via email at housingregenerationinvestment@stockton.gov.uk or via telephone 01642 526537.
- 10.1** We will respond to complaints in accordance with the Council's procedure. Please refer to Council's Customer Feedback and complaints Procedure document for further information, this document can also be found by clicking the following link: <https://www.stockton.gov.uk/stockton-council/customer-services/customer-feedback-and-complaints/>