

Appendix A

Financial Assistance Policy 2017/18

This policy sets out the type of assistance and eligibility criteria for qualification for financial assistance to improve residential accommodation for the occupant. The types of assistance available are:

Disabled Facilities Grants
Home Trust Loans
Hard to Treat Insulation Grants
Heating and Repair Grants

1. Disabled Facilities Grants (DFGs)

1.1 Purpose of Grant

Mandatory grants are available for people who are registered disabled for works to:

- facilitate access by the disabled occupant to, from and within the dwelling (for the purpose of this grant a dwelling includes mobile homes and houseboats);
- provide essential facilities and amenities within the dwelling; and
- facilitate access to and from a garden by a disabled occupant or making access to a garden safe for a disabled occupant.

1.2 Eligibility

All owner-occupiers and tenants, licensees or occupiers (meeting the statutory criteria set out in the Housing Grants Construction and Regeneration Act 1996) are eligible for DFGs. All applications must be supported by East Sussex County Council's (ESCCs) Adult Social Care or Children's Services Department.

Council tenants can apply for adaptations but this will not be via the DFG process as all works are funded from the Housing Revenue Account. LDC works closely with Housing Associations to deliver adaptations and whilst RSL's are expected to build funding into their business plans and adaptations should be part of their core activities there is a statutory duty for Councils to approve DFG's across all tenures. LDC will therefore work with each Housing Association in its area to develop robust and equitable funding agreements which are review on an annual basis.

1.3 Age of Property

There is no minimum age of a property which is the subject of a DFG application.

1.4 Application

In order for the Council to consider awarding a DFG a complete and valid application must have been received. Such an application consists of:

- A completed application form.
- A minimum of two complete estimates from different contractors detailing particulars of the relevant works.
- Where appropriate an Occupational Therapist's (OTs) recommendation detailing the relevant works.
- Details necessary to apply the test of resources.
- Details of any fees or charges, e.g. architects or agents fees. These will normally not exceed 12.5% of the eligible expenses.
- Certificate of Future Occupation.
- Proof of Title.

All valid and completed grant applications are to be determined no later than six months after a completed application is received by the Council. We may exercise our discretion to determine that grant monies will not be paid before a specified date (which cannot be later than 12 months after the date of application).

1.5 Commencement of Works

Work cannot be commenced before grant is approved. Any works started before grant is approved will not be grant aided.

1.6 Certificate and Conditions of Occupation

Applications must be accompanied by a certificate relating to the future occupation of the property. These are:

- A Certificate of Owner Occupation
- A Tenant's Certificate
- A Certificate of Intended Letting (if the circumstances require it)
- An Occupier's Certificate

1.7 Estimated Expenses

In determining the estimated expense and calculating a DFG the following elements are considered:

- Which of the relevant works are eligible for grant 'the eligible works'.
- The amount of the expenses to be properly incurred in the execution of the eligible works.
- Costs attributable in relation to grant works, i.e. fees and charges.
- The grant is means tested and the amount of grant paid will be determined by a 'test of resources' that determines the applicant's contribution to the works. The mandatory grant will in no event exceed £30,000.

- If the grant applicant is unable to meet their assessed contribution they can apply for a Home Trust Loan under the Council's subsidies loan scheme. In such circumstances the Housing, Health and Safety Rating system (HHSRS) criteria does not have to be met, providing the DFG has been assessed as being necessary and appropriate, reasonable and practical.
- Any work that falls outside the criteria for mandatory DFGs will be referred to ESCC's Social Services Department for their consideration under the Chronically Sick and Disabled Persons Act 1970.
- Applications in respect of disabled children and young people under the age of 19, who are dependant are exempt from the means test.
- Extended warranties for external stairlifts, *communal stairlifts*, through floor lifts and *wash-dry toilets, automatic doors, and rise and fall baths*.

1.8 Supervision and Payment of Grant

Council Officers will inspect the grant works during their progress and, subject to satisfactory execution; officers can recommend the Authority make interim payments. Final payments will be made on the Officer's satisfaction that the works have been completed satisfactorily and on receipt of the builder's (or in the case of materials, suppliers) invoice.

Grants will only be paid when the applicant has signed a consent that payment can be made. Payments will in general terms be paid directly to the builder/agent unless the applicant has indicated otherwise.

NB The Council Officers act on behalf of the Authority to ensure public funds are spent correctly. Applicants must be aware that Officers do not act on their behalf. There are therefore no guarantees as to the quality of workmanship and any disputes arising between applicants and their contractors are their responsibility.

1.9 Conditions of Grant

The eligible works must be undertaken by the contractor(s) who provided the approved estimate(s) included in the application. We may vary this requirement where we consider there is a genuine reason to do so and it is in the interest of achieving efficient housing renewal. Prior permission shall be obtained in writing from the Council by the applicant before any change in contractor takes place. The use of a different contractor to one included in the application without our permission may result in our cancellation of the grant and/or repayment by the relevant person.

We will consider redetermining a grant approval where the eligible works cannot be completed without carrying out further works which were unforeseen or where the works are required to ensure the property is free from Category One Hazards. Unforeseen works will only be considered for financial assistance by the Council where they could not reasonably have been foreseen and work has not been started prior to the work having been agreed as 'unforeseen work' by the Council.

Applicants must pay their contribution to grant aided works and provide satisfactory evidence that payment has been made, i.e. a signed and dated receipt, before the Council will make any grant payment.

Where works are taking place in addition to grant aided works, but which are not grant aided and are funded by the applicant, these works must be completed and paid for by the applicant to the satisfaction of the Council before any payment will be made with respect to the grant aided works.

In the event of a breach of any of the conditions set by the Council, we may demand payment from the applicant/owner/occupier/landlord/trustee/beneficiary, whichever is appropriate, a sum equal to the amount of the grant paid or, as the case may be, any instalments of grant paid and the same shall be repayable to the Council. We have the discretion either not to demand repayment, or to require payment of less than the full amount.

1.10 Local Land Charge

A Local Land Charge will be placed on the owner/occupiers adapted property where the cost of the DFG exceeds £5,000, limited to a maximum of £10,000. The Charge will be incurred if the property is sold within 10 years.

The grant will be registered as a Local Land Charge and will be enforced when the applicant has disposed (whether by sale, assignment, transfer or otherwise) of the premises in respect of which the grant was given. In which case the Council may demand repayment of up to £10,000, inclusive of any fees or charges.

The applicant shall, from the certified date throughout the grant condition period of 10 years, notify the Council of their intention to sell or otherwise dispose of the property. Pursuant to this condition the applicant shall furnish the Council with any information reasonably requested by them in connection with such notification.

1.11 Agents

All applicants are encouraged, though this is not a mandatory requirement, to enlist the services of an agent or architect or architectural technician to assist them in the process of application where the adaptation involves building alterations. Agency assistance is not normally required where the adaptation involves the straightforward installation of lifting equipment e.g. stairlifts.

2. Discretionary Disabled Facilities

In 2015 £3.8 billion was pooled into a single budget for health and social care services to work more closely together – the Better Care Fund. The Fund provided increase in funding for home adaptations and related opportunities to improve integration and meet performance targets, particularly reducing delayed transfers of care.

The Council's increased budget for 2017/18 has allowed for the development of a discretionary policy. It is important to note that discretionary funding will only be available for eligible works, i.e those meeting the mandatory DFG criteria.

Note: with the exception of the equipment transfer, these grants are dependent on the availability of funding.

2.1 Equipment

East Sussex County Council (ESCC) will order and supply straightforward equipment i.e hand rails, stairlifts, steplifts and washer-dryer toilets. This will be a fast track process and the applicant will be referred directly to the equipment service by their Occupational Therapist. The equipment will be funded from money allocated directly from the DFG accounts but would not be means tested.

2.2 Maximum Grant Amount

With the increase in the cost of building materials and labour in the 9 years since the £30,000 limit was introduced, an additional £10,000 will be made available as 'top up' from the DFG budget before recourse to funding from ESCC. For any work above 40k the Council will match fund any top up offered by ESCC to a maximum of £20,000. For example if the cost of work was 50k, the Council would fund 45k of the work and ESCC contribute 5k. A Local Land Charge will be applied see below for details.

DFG's for children will be subject to a means test for any 'top up' funding above the mandatory 30k. For example if the eligible works are 40k, the means test would be relevant to the portion above 30k i.e 10k. If the parents/guardians were assessed as having a contribution of 2k then a grant would be awarded for 38k i.e 30k mandatory + 8k discretionary.

2.3 Relocation Expenses

In some cases, it is considered that moving home is more appropriate to meet the needs of a disabled occupant, and it is not reasonable or practicable to adapt the existing home.

Relocation expenses up to a maximum of £10,000 will be considered at the Council's discretion where the property is not cost effective to adapt. The new property must either be already adapted or be adaptable at a reasonable cost. The expenses may include estate agent's fees, solicitor's fees, stamp duty, and/or removal costs.

This grant may be used towards the cost of purchasing a new home where the applicant

owns their existing home or for moving to alternative rented accommodation for an existing tenant. The Council will also offer up to £1,000 for applicants living in the private rented sector to move to a more suitable rental property to cover reallocation expenses.

2.4 Hardship DFG

Where DFG applicants have a means tested contribution but have insufficient capital to meet that obligation they are guided to Parity Trust for a loan to cover their contribution. If Parity Trust are unable to approve a loan (i.e. the applicant will be left in unnecessary financial hardship by making loan repayments) the Council will provide discretionary funding to a maximum of £10,000 for eligible work.

2.5 Feasibility Studies

For complex work the Council will, at its' discretion provide £1000 towards a feasibility study for eligible work before a grant is approved. If a grant is then awarded the £1,000 will be included in the grant and not be an additional amount.

2.6 Local Land Charge

Any discretionary funding awarded over £30,000 will be registered a Local Land Charge against the resident's (owner occupier's) property for 10 years following the completion of work. The maximum Land Charge will be 20k for discretionary funding which will be in addition to the 10k maximum for mandatory work upto 30k.

For the example if the cost of work was 60k, the Council would fund 50k of the work and ESCC be asked to contribute 10k. A Local Land Charge would be placed on the property for 30k (10k mandatory and 20k discretionary).

3 Decent Homes Assistance (DHA)

In 2003 the Government extended the requirement for Decent Homes Standards to vulnerable households in the private sector. A decent home is one that:

- Meets the current statutory minimum standards for housing, i.e. free from Category One Hazards
- Is in a reasonable state of repair
- Has reasonably modern facilities and services
- Provides a reasonable degree of thermal comfort

The Government has set a target that by 2010 70% of vulnerable people will live in a decent home, increasing to 75% by 2020. A vulnerable household is one in receipt of at least one of the principal means tested or disability benefits.

The following assistance is targeted at vulnerable households to bring homes up to the Decent Homes Standard

3.1 Heating and Repair Grants

In cases of emergency repair or lack of a suitable heating system a grant of up to £3,500 may be awarded. An officer from the council must visit and be satisfied that:

1. The applicant meets the eligibility criteria
2. The works are eligible
3. Two written estimates have been obtained.

Applicants will only be eligible to a maximum of £3500 in any 3 year period.

Eligibility Criteria

Applicants must:

- be aged 18 or over on the date of application;
- live in the dwelling as his/her only or main residence;
- the relevant property must be within Council Tax Band A-E;
- have lived in the property for at least a year prior to grant application;
- have an owner's interest in the dwelling or be a tenant of the dwelling;
- have a duty or power to carry out the works in question;
- be (or alternatively his/her partner be) in receipt of a means tested benefit:

Income Support, Council Tax Benefit, Housing Benefit, Income-Based Job Seeker's Allowance, Guarantee Pension Credit. An applicant who is receipt of Working Tax Credit (to include a disability element or a joint income of less than £16,040) or child tax credit whose joint income is less than £16,040 will also be eligible.

Grant would be available for those vulnerable groups who fall outside the criteria for means tested benefit:

- Disabled
- Chronically sick
- Low income families with Children under the age of 10, who fall just outside of the benefit criteria. A low income will classed as a joint income of below £20,000.

To satisfy this exemption criteria they must have less than £10,000 in savings (single person) or £15,000 in savings (couple).

Property Criteria

It is our policy to target HRG assistance in accordance with the following: -

The repairs must make the property suitable for occupation through rectifying hazards rated A-D+ under the Housing Health and Safety Rating System (HHSRS). The rating system lists 29 hazards which include:

- Excess cold
- Damp and Mould Growth
- Carbon Monoxide and fuel combustion products
- Protection against hazards, including falls and electrical hazards

Any items of disrepair eligible for assistance must be rectified to such a standard that they will not need replacing or repairing again for the next 10 years.

By using the HHSRS grants and loans can be targeted to the properties exhibiting the greatest risk to the occupiers. This will ensure all assistance is channelled to the housing issues affecting the District i.e. thermal comfort in the rural areas and damp and mould problems on the coast.

The Inspecting Officer will apply the HHSRS assessing any defect in terms of its effect upon the occupiers, the perceived vulnerable group and the building structure.

Using this information a HHSRS calculation will be carried out. All scores generated that are more than 930 (D+) will be eligible for grant or loan assistance.

Decent Homes Assistance will not normally be available for:

- conservatories;
- lean-tos;
- out-houses;
- porches; or
- any part of the building which does not form part of the main structure.

However, assistance will be available for means of access to the property i.e. paths and steps.

Dwellings include mobile homes on licensed residential sites.

3.2 'Hard to Treat' Insulation Grants

Eligible home owners (freeholders or leaseholders) who are not eligible for assistance from any central Government funding will be able to receive a discretionary grant of up to £5000 for thermal insulation.

Qualification Criteria

To qualify for an Insulation Grant the property must:

1. be at least 10 years old;
2. be the applicant's only or main home;
3. be your only or main residence for at least the next 5 years;
4. a property that you are entitled to or you can obtain the necessary permission to have the work carried out;

and

5. you are receiving a means tested benefit

or

6. you are over 70 and have household savings of less than £10,000 (single) or £15,000 (couple)

Eligible works

Works eligible for assistance are as follows:

1. The provision of energy efficiency works as assessed by the council officer that are necessary and appropriate to improve the thermal efficiency of the property, bring the occupiers out of fuel poverty and increase its SAP rating. Such works include external insulation to mobile homes, internal insulation to solid wall properties and other suitable measures for tile hung properties.

Council funds available for these works are limited. If available funding has been committed and no further resources are available applicants will be advised accordingly. Those meeting the eligibility criteria will be placed on a waiting list until funds are available and/or be offered a loan.

4. Home Trust Loans

For items of repair owners will be encouraged to apply for a Home Trust Loan for the total cost of work. To be eligible for the loan, applicants must meet the criteria for the HRG as listed above, but do not have to be in receipt of a means tested benefit.

The Home Trust Loan is a secured loan provided by Parity Trust, a socially responsible not-for-profit lending organisation. The Loan is subsidised by the Council to guarantee a low interest rate of 5.49% (5.63%APR), this rate is fixed for the full term of the Loan. There is also an option to make overpayments or settle the loan in full without penalty.

There are three borrowing options tailored to suit the applicant's circumstances. The following table provides a quick comparison of each, highlighting the main differences. Loans are available for amounts between £1,000 - £25,000. Loan Examples are also shown for the three loan options.

The Home Trust Loan scheme provides the support of a dedicated Home Trust Loan Officer who will carry out a home visit to assist with the loan process.

| Loan Option | Available to | Maximum term | Do I make monthly repayments? | What happen to the loan balance? |
|------------------------|----------------|--------------|-------------------------------|--|
| Capital Repayment Loan | 18yrs and over | 15 years | Yes - repayments and interest | Decreases every month until balance is cleared |
| Interest Only Loan | 60yrs and over | life | Yes - interest only | Remains the same, regardless of when the loan is settled |
| Interest Roll-up Loan | 60yrs and over | life | No | Increases every month as interest is added |

Secured Loan Examples (Typical APR 5.1%)

Capital Repayment Loan

| Loan Amount | Term | Monthly Repayment | Total Interest |
|-------------|----------|-------------------|----------------|
| £5000 | 5 years | 94.36 | £661.60 |
| £5000 | 10 years | 53.03 | £1,363.60 |
| £5000 | 15 years | 39.54 | £2,117.30 |

- Loan balance decreases with each monthly repayment

Interest Only Loan: Available to clients aged 60+

| Loan Amount | Term | Monthly Repayment | Settlement Figure |
|-------------|------|-------------------|-------------------|
| £5000 | Life | 20.83 | 5 yrs £ 5000 |
| | | | 15 yrs £ 5000 |
| | | | 30 yrs £ 5000 |

- Loan capital of £5000 paid when the property is sold
- Your Monthly repayment is applied against the interest accrued **but not** the capital

Interest Roll Up Loan - Available to clients aged 60+

| Loan Amount | Term | Monthly Repayment | Settlement Figure |
|-------------|------|-------------------|-------------------|
| £5000 | Life | £0 | 5 yrs £6417 |
| | | | 15 yrs £10,569 |
| | | | 30 yrs £22,341 |

- Outstanding balance of capital and interest paid when the property is sold.
- No regular repayments - Loan balance **increases** as the Interest accumulates over time as illustrated above.

4.1 Application Process for Decent Homes Assistance and Loans

In order for the Council to consider awarding any of the above grants or loans, a complete and valid application must have been received. Such an application consists of:

- a valid completed application form;
- proof of identity
- evidence of means tested benefits where appropriate
- 2 estimates of the cost to the applicant of the works.

All valid and completed applications are to be determined no later than six months from the date of application.

An inspection will be undertaken by an inspecting officer of the enquirer's property to assess the required works. The inspection may be carried out by a Council officer or another outside agency employed to administer grants.

4.2 Payment

Council officers will inspect the grant/loan works during their progress and, subject to satisfactory execution; officers can recommend the Authority make interim payments.

Final payments will be made on the inspecting officer's approval that the works have been completed satisfactorily and on receipt of a contractor's (or in the case of materials, suppliers) invoices.

The Grant or loan will only be paid when the applicant has signed a consent that payment can be made. Payments will in general terms be paid directly to the builder/agent unless the applicant has indicated otherwise.

NB The Council's Officers act on behalf of the Authority to ensure public funds are spent correctly. Applicants must be aware that officers do not act on their behalf. There are therefore no guarantees as to the quality of workmanship and any disputes arising between applicants and their contractors are their responsibility.

4.3 Conditions of Grant or Loan

The eligible works must be undertaken by the contractor(s) who provide the estimates(s) included in the application. We may vary this requirement where we consider there is a genuine reason to do so and it is in the interest of achieving efficient housing renewal. The applicant shall obtain prior permission in writing from the Council before any change in contractor takes place. The use of a different contractor to one included in the application, without our permission, may result in the Council's cancellation of the grant and/or repayment by the relevant person.

We will consider redetermining a grant or loan approval where the eligible works cannot be completed without carrying out further works which were unforeseen or where the works are required to make the property decent. Unforeseen works will only be considered for financial assistance by the Council where they could not

reasonably have been foreseen and work has not been started prior to the work having been agreed as 'unforeseen work' by the Council.

Applicants must pay their contribution to grant aided works and provide satisfactory evidence that payment has been made, i.e. a signed and dated receipt, before the Council will make any grant payment. Alternatively any loan or equity release scheme must have written agreement before being approved.

The eligible property must meet the Decent Homes Standard after the works are complete.

Where works are taking place in addition to grant aided works, but which are not grant aided and are funded by the applicant, these works must be completed and paid for by the applicant to the satisfaction of the Council before any payment will be made with respect to the grant aided works.

In the event of a breach of any of the conditions set by the Council, we may demand payment from the applicant/owner/occupier/landlord/trustee/beneficiary, whichever is appropriate, a sum equal to the amount of the grant paid or, as the case may be, any instalments of grant paid and the same shall be repayable to the Council. We have the discretion either not to demand repayment, or to require payment of less than the full amount.

It is a condition of the grant that the applicant takes all reasonable steps to pursue any relevant insurance claim or legal claim for damages in which the cost of the works to the premises to which the grant relates is part of that claim. The applicant shall repay to the Council the grant so far as is appropriate, out of the proceeds of the claim. This condition is not subject to a time limit and will therefore remain operative until such time as any claim is settled and the appropriate amount of grant is repaid.

The Local Authority will take full consideration of the terms of the settlement received by the grant applicant and request repayment accordingly.

Where insurance claims have been received before the grant application is made, details of the insurance payments should be included in the application form.

Council funds available for these works are limited. If available funding has been committed and no further resources are available applicants will be advised accordingly. Those achieving the required number of points will be placed upon a waiting list until funds are available.

To apply for all of the above grants and loans please contact the Service Delivery Team on 01273 471600.

5 Exceptions Policy

Grants or loans not meeting the requirements of the above policy and criteria, can be awarded at the discretion of the Director of Service Delivery in consultation with the Lead Member for Housing. Such an award will only be made subject to the

provision of the Regulatory Reform (Housing Assistance) England and Wales Order 2002 and subsequent guidance.

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