

APPENDIX 2 – PROPOSED AMMENDMENTS TO THE PRIVATE SECTOR HOUSING FINANCIAL ASSISTANCE POLICY

Existing Empty Property Assistance Reference	Existing Empty Property Assistance Criteria	Proposed Amendments to the Empty Property Assistance Criteria
3.3	<p>Budget permitting, assistance is available from the council for bringing long-term empty residential properties in the Borough back into use under the Regulatory Reform (Housing Assistance) Order 2002.</p> <p>Empty property assistance during the 2011-2012 financial year was funded by the North London Housing Sub Region. Barnet’s funding allocation for 2012-13 is up to a maximum of £600,000 which is drawn down upon spend.</p> <p>Following the initial letter offering the Empty Property Grant the offer will remain open for a maximum of 6 months. After this time the offer will be withdrawn.</p> <p>There are currently two types of Empty Property assistance available:</p> <ul style="list-style-type: none"> • assistance for prospective owner-occupiers 	<p>Budget permitting, assistance is available from the Council for bringing long-term empty residential properties in the Borough back into use under the Regulatory Reform (Housing Assistance) Order 2002.</p> <p>Following the initial letter offering Empty Property Financial Assistance, the offer will remain open for a maximum of six months. After this time the offer of grant would normally be withdrawn.</p> <p>Four types of Empty Property Financial Assistance are available:</p> <ul style="list-style-type: none"> • assistance for prospective owner-occupiers (in long term care) • assistance for prospective owners – occupiers (key workers) • assistance for prospective landlords • assistance for prospective landlords (where work is undertaken by agreement with LBB or an alternative agreed provider)

	<ul style="list-style-type: none"> • assistance for prospective landlords 	
<p>3.3.1</p>	<p>Empty Properties – Assistance for owner-occupiers</p> <p>The council may offer assistance to owner-occupiers who wish to return empty properties to housing use in the following circumstances:</p> <ul style="list-style-type: none"> ▪ the property has been empty for 12 months or more; ▪ the applicant is in long term care and due to disrepair is unable to return to their property; ▪ the applicant owns the freehold of the property and is responsible for all structural repairs or the applicant has a lease with at least 10 years to run and any required freeholder permission for the proposed works is obtained; ▪ the property does not meet the Decent Homes Standard. The property must be decent at the end of the works. <p>The maximum assistance for owner-occupiers is £12,000 subject to a reasonable cost assessment and is capped at 50% of the</p>	<p>Empty Properties – Assistance for Owner-Occupiers (in Long Term Care)</p> <p>The Council may offer assistance to owner-occupiers who wish to return empty properties to housing use in the following circumstances:</p> <ul style="list-style-type: none"> ▪ the applicant is in long term care and due to disrepair is unable to return to their property; <p>Empty Properties – Assistance for Owner Occupiers (Key Workers)</p> <p>The Council may offer financial assistance to key workers where:</p> <ul style="list-style-type: none"> • the purchase price of the property was £500,000 or less. • the applicant owns no other properties. <p><i>A Key Worker is defined as a Public Sector Employee who is considered to provide an essential service.</i></p> <p>Specific Conditions for Both Types of Owner Occupier Assistance</p> <ul style="list-style-type: none"> ▪ the property has been empty for 6 months or more ▪ the applicant owns the freehold of the property and is responsible for all structural repairs, or the applicant has a lease with at least 8 years to run and any required freeholder permission for the

reasonable cost of the works. The applicant's eligibility will be determined by a means test using the formula or method dictated by the Housing Renewal Grants Regulations 1996 (as amended).

Works must be started within 3 months, completed within 9 months of grant approval and meet the Decent Homes standard on completion. The property must be occupied on completion.

- proposed works is obtained
- the property does not meet the Decent Homes Standard.
- the applicant has Planning Permission for the proposed works or an Established Use Certificate
- the applicant has no outstanding debts to the Council e.g. Council tax arrears
- applicants who wish to convert a larger property into flats, and move into one of the units will be entitled to a Landlord's Financial Assistance for the work (see below)
- the property must remain occupied by the applicant or immediate family. This is not time limited.
- the maximum assistance for owner-occupiers is £20,000, subject to a reasonable cost assessment. The applicant's eligibility will be determined by a means test using the formula or method dictated by the Housing Renewal Grants Regulations 1996 (as amended).
- the property shall be occupied within 1 month of completion of the work
- a charge is registered against the property so that if the property is sold, or the deeds are transferred, the grant must be re-paid. In addition, if the property is allowed to fall vacant unreasonably, for a period of 6 months or more, the grant must be repaid. If any of the conditions are contravened following the completion of the works then the full sum will have to be repaid to the Council. This is not time limited.

The Council has the discretion to pay 50% of the money up front e.g. where works to properties have stalled due to a lack of funds.

<p>3.3.2</p>	<p>Empty Properties – Assistance for landlords</p> <p>The council may offer assistance to landlords to return empty properties to housing use in the following circumstances:</p> <ul style="list-style-type: none"> • the property has been empty for 12 months or more; • the applicant is the owner or leaseholder of the property and is responsible for all structural repairs; • the property does not meet the Decent Homes Standard; • the applicant intends to rent out the property for three years either through the Council’s Home Choice Scheme or a Private Sector Leasing Scheme to house people in housing need nominated by the Council; • the applicant has any required planning permission for the proposed works or an established use certificate; • the applicant has any required freeholder permission for the proposed works; • the applicant and owner have no outstanding debts to the Council e.g. Council tax arrears. 	<p>Empty Properties – Assistance for Prospective Landlords</p> <p>This assistance may be used for work to:</p> <ul style="list-style-type: none"> ○ bring a residential property up to the Decent Homes standard and/or, ○ conversion of the property into self contained flats and/or, ○ demolition and rebuild (providing there is an increase in the units of available housing) or, ○ assisting with the purchase of a long term empty property or, ○ conversion of a commercial unit into residential accommodation. <p>The council may offer assistance to landlords to return empty properties to housing use in the following circumstances:</p> <ul style="list-style-type: none"> • the property has been empty for 6 months or more • the applicant is/will be the owner or leaseholder of the property and is responsible for all structural repairs • the property does not meet the Decent Homes Standard • the applicant intends to, (and the property is acceptable) to rent out the property for a minimum of three years to Barnet Homes or an alternative Social Housing provider approved by the Council, to house people in housing need nominated by the Council • the applicant has any required Planning Permission for the proposed works or an Established Use Certificate (including Building Regulation Approval) • the applicant has any required freeholder permission for the proposed works • the landlord is a “fit and proper person” as defined under section
---------------------	---	---

The maximum sums for landlord assistance reflect the current demand for properties that are suitable for the needs of those that apply for Council Housing and meet the priority banding system (usually band 1) and are shown in the following table:

Number of Bedrooms	Maximum Grant
1	£4,000
2	£8,000
3+	£12,000

Applicants are required to fund 50% of the reasonable cost of the works and improvement of the property up to the maximum sums shown above. The maximum sums are inclusive of any VAT incurred by the applicant, so for example if the total cost of the work is £6,000 in a one bed property the grant will be £3,000, if the cost of the work is £20,000 in the same property the grant would be capped at £4,000.

Landlord assistance is available subject to

66(2) of the Housing Act 2004 this includes not contravening any provision of the law relating to housing or landlord and tenant law.

The maximum sums for landlord assistance are shown in the following table. This policy provides the discretion to reduce the "Maximum Assistance" through an Officer Agreed Delegated Powers Report where demand outweighs the budget available.

Number of Bedrooms	Maximum Assistance	Early Bird incentive paid where a full Application is * See below	If the property is available before 31st March 2014. * See below
1	£15,000	£1,500	Provision of annual Gas Safety record for the 3 years of letting to Barnet Homes
2	£20,000	£2,000	
3+	£25,000	£2,500	

This policy provides the discretion to add top ups to the grant to promote the scheme, or where landlords work closely with the Council. This can include but is not limited to:

- an Early Bird Incentive (applying before a certain date),
- a Certificate Service (for example where the Council will provide Energy Performance, Gas Safe Certificate and Electrical Condition Report)

certain conditions. The sum is registered as a charge against the property and if any of the conditions are contravened during a period of three years following the completion of the works then the full sum will have to be repaid to the Council:

- a certificate of availability for letting, stating that the current owner will let all dwellings for three years from the date of completion of the grant-aided works;
- the property must meet the decent homes standard and the Council's energy efficiency and security standard on completion of the works;
- applicants are required to convert or improve the property to the London Borough of Barnet's accommodation standards;
- the property (and its fixtures, fittings and furniture) must be fully insured. The Council will require a copy of the current insurance certificate to be provided before the grant can be paid;
- all works listed on the specification of works and all units within the property must be completed before the final payments can be made;
- final payments are subject to

- A Loyalty Scheme for landlords signing up for extended nomination rights

Applicants can apply for up to a maximum of 6 units per property. Additional units may be agreed at the discretion of the Private Sector Housing Manager.

Empty Properties – Assistance for Prospective Landlords (where work is undertaken by agreement by LBB or alternative agreed by LBB)

This policy provides the discretion to provide this financial assistance if it is found to be viable following an assessment of the business case. The Council is currently investigating the practicalities of this option. The service would enable landlords without access to funds up front, willing to let the property through Barnet Homes, or an alternative agreed provider to agree to LBB or alternative agreed by LBB completing the necessary works. The owner would need to agree formally to any costs not covered by the Financial Assistance plus an administrative fee being accrued back through the rental income.

The property must be let to Barnet Homes or an alternative Social Housing provider approved by the Council to house people in housing need nominated by the Council for three years or until the assistance plus fee has been repaid, whichever is the longer.

Empty Properties – Assistance for Prospective Landlords- Specific Conditions

- the property must be let for a minimum of three years to Barnet

	<p>confirmation from the Home Choice Scheme or the Private Sector Leasing Scheme that the works meet the standards agreed;</p> <ul style="list-style-type: none"> • the owner (or agent, if any) must be accredited under the London Landlords Accreditation Scheme before final payment can be made. For more information call 020 7974 1970; • works should be started within 3 months and completed within 9 months of approval. To claim the payments a copy of the builder's final account with all relevant certificates e.g. building control, gas/electrical certificates, roof/damp guarantees etc should be provided on completion. The property must meet the Decent Homes standard on completion. • the Landlord should be a fit and proper person as defined under the Housing Act 2004 and not subject to any enforcement action 	<p>Homes or an alternative Social Housing provider approved by the Council to house people in housing need nominated by the Council.</p> <ul style="list-style-type: none"> • applicants are required to convert or improve the property to Barnet Homes Property Standards (or an alternative agreed by LBB) and the Decent Homes Standard • the property (and its fixtures, fittings and furniture) must be fully insured. The Council will require a copy of the current insurance certificate to be provided before the assistance can be paid • all works listed on the specification of works and all units within the property must be completed before the final payments can be made • final payments are subject to confirmation from Barnet Homes (or an alternative agreed by LBB) that the works meet the standards agreed • the owner (or agent, if any) must be accredited under the London Landlords Accreditation Scheme before final payment can be made • works should be started within 3 months and completed within 9 months of approval • to claim the payments a copy of the builder's final account with all relevant certificates e.g. building control, gas/electrical certificates, roof/damp guarantees etc must be provided on completion. • the property shall be occupied within 1 month of completion of the work • applicants are required to fund 25% of the reasonable cost of the works and improvement of the property up to the maximum sums shown above so for example, if the total cost of the work is £20,000 in a two bed property, the assistance will be £15,000. The
--	---	--

		<p>maximum sums are inclusive of any VAT incurred by the applicant,</p> <ul style="list-style-type: none"> • a charge is registered against the property so that if the property is sold, or the deeds are transferred, the financial assistance must be re-paid. In addition, if the property is allowed to fall vacant unreasonably, for a period of 6 months or more, the financial assistance must be repaid. If any of the conditions are contravened following the completion of the works then the full sum will have to be repaid to the Council <p>The Council has the discretion to pay 50% of the money up front e.g. where works to properties have stalled due to a lack of funds.</p>
<p>3.3.3</p>	<p>Empty Property - Top Up</p> <p>Homes and Communities Agency (HCA) top up grant is an additional funding of up to £13,000 per an empty property to support the main empty homes programme. The grant is a top up to properties which require extensive works.</p> <p>Additional conditions are applicable which are defined by the HCA,</p> <ul style="list-style-type: none"> • The property must have been empty for at least 2 years. • The owner must be willing to enter into an agreement for a period of 5 years to rent the property back to the Council through our Private Sector Leasing 	<p>Empty Property – Top Up</p> <p>Homes and Communities Agency (HCA) top up grant is an additional funding of up to £13,000 per empty property to support the main Empty Homes Programme. It is limited to a minimum of 14 properties (9x2 bed and 5x 3 bed). On completion they must be let at 80% of the prevailing market rates.</p> <p>A condition of this funding is that the property is let to the Council for a minimum of 5 years and landlords will be expected to enter into a legally binding agreement with the Council. This could be in the form of a lease and/or registered Local Land Charge.</p> <p>In addition to the criteria listed for “Empty Properties Assistance for Prospective Landlords”, this funding may be used to :</p> <ul style="list-style-type: none"> ○ bring a residential property up to the Decent Homes standard

	<p>scheme.</p> <ul style="list-style-type: none"> • Any funding provided will be matched by the owner and it will only cover reasonable costs. • The grant is payable upon completion of the works and the property must as a minimum meet the Decent Homes Standard, the HCA’s Design and Quality Standards 2007 and where possible the Design and Quality Standards for temporary social housing from the HCA. 	<ul style="list-style-type: none"> ○ and/or, conversion of the property into self contained flats <p>This funding may also be used where the Empty Properties – Assistance for Prospective Landlords has been put towards the cost of purchasing a long term empty property.</p> <p>The “Top Up” can be used to cover the remaining 25% of the landlords match funding element.</p> <p>The “Top Up” element is a grant and as such is not repayable although it will be reclaimed if the landlord terminates the lease within the initial five year period and/or the above conditions are not complied with. It is repayable on a pro-rata basis.</p> <p>Additional funding is currently being applied for from the Homes and Community Agency. This policy provides the discretion to use any new funding secured from this or any alternative funding streams in line with the funding criteria and in addition to the financial assistance provided through this policy. It will not be used as an alternative to the proposals contained in this policy.</p>
<p>4.3</p>	<p>Empty Properties Assistance</p> <p>Where Empty Property Assistance is provided a charge is registered against the property so that if the property is sold, or the deeds are transferred within this time, the grant must be re-paid. In addition, if the property is allowed to fall vacant unreasonably, for a period of more</p>	<p>Included above.</p>

than 6 months, the grant must be repaid. In relation to all Empty Property Assistance:

- a Certificate of Availability for Letting, stating that the current owner will let all dwellings for three years from the date of completion of the grant-aided works;
- the property must meet the decent homes standard, the Council's energy efficiency and security standard on completion of the works and maintained for ten years thereafter;
- applicants are required to convert or improve the property to the London Borough of Barnet's accommodation standards;
- the property (and its fixtures, fittings and furniture) must be fully insured. The Council will require a copy of the current insurance certificate to be provided before the grant can be paid;
- all works listed on the specification of works and all units within the property must be completed before the final payments can be made;
- final payments are subject to confirmation from the Home Choice Scheme or the Private Sector Leasing Scheme that the works meet the

	<p>standards agreed;</p> <ul style="list-style-type: none">• the owner (or agent, if any) must be accredited under the London Landlords Accreditation Scheme before final payment can be made. For more information call 020 7974 1970. <p>works should be started within 3 months and completed within 9 months of approval.</p>	
--	---	--