

# Guidance Note GN.H175

## REGULATORY REFORM (HOUSING ASSISTANCE) (ENGLAND AND WALES) ORDER 2002

### GUIDANCE NOTE FOR EMPTY PROPERTY GRANT

#### **Introduction:**

This grant is intended to help owners bring empty properties back into use and to make them available for letting to tenants nominated by the Council.

#### **Eligible persons:**

Empty Property Grant is available to owners (freeholder or leaseholder) of residential properties in the borough which have been empty and which require essential repairs and improvements. Applicants must be over the age of 18.

Where an applicant has planning permission for conversion of a commercial or residential building into residential accommodation (and where previous residential use can be demonstrated) we will consider this for funding as well. There are detailed conditions attached to this grant, for example, the Council requires nomination rights for the future tenants for a minimum period of 5 years.

The rent charged for the nominated tenancy will always be at a level that can be afforded by tenants who are in receipt of Housing Benefit; grants will only be offered where the landlord is aware and prepared to accept the level of rent offered. It is anticipated that the level of rental income will be unacceptable for most landlords with 3 bedroom properties or larger.

**(See following pages for further information).**

**Applying for a grant can be complicated.  
If you need any assistance please contact us at:**

Gateway, Strategy & Engagement  
Housing Renewal  
3rd floor, Zone B  
Bernard Weatherill House  
8 Mint Walk  
Croydon, CR0 1EA

Tel: 020 8760 5470

## **Works covered under Empty Property Grant:**

Works to put a dwelling or building into reasonable repair and to make it suitable for occupation are eligible for assistance. This includes virtually all types of repair except such items as internal decoration. Where an owner applies for more than one grant in respect of a property that is converted into flats, the repairs to the common parts can be included on the grant of the most appropriate flat or divided between them. The following are also eligible:

Works to provide additional dwellings by conversion, including the following:

- works required by Building Control,
- provision of basic kitchen, bathroom and toilet facilities and supplies of hot and cold water,
- provision of refrigerators and cookers are not covered but the power points to these are,
- provision of basic kitchen units, cupboards and worktops,
- provision of gas, electricity and water services (an energy efficient boiler would be covered),

Works to provide adequate thermal insulation including the following:

- provision of 250mm of loft insulation,
- insulation to water tanks and pipes.

Works to provide adequate facilities for space heating. Provision of gas fires and central heating may be considered.

Works to provide satisfactory internal arrangements including provision of separate access to flats above a shop.

Works to provide adequate means of escape from fire and other fire precautions. Where works are to provide additional dwellings, the grant aidable works will be those specified by Building Control. If the property was converted prior to the Building Regulations 1985 and not subsequently altered in accordance with subsequent Building Regulations, the following standard is applied:

- if self-contained flats and on 3 or more floors an automatic fire detection system (to BS5839 Part 1) will be specified with a heat detector in the kitchen and smoke detectors on each landing and hallway
- if self-contained flats and less than 3 floors mains operated smoke alarms with battery back-up (to BS 5446 Part 1) will be specified on each landing and hallway.

The reasonable cost of fees for preparation of plans and schedules and the supervision of work etc.

## **Provision of estimates:**

The Council will normally ask for three estimates of the cost of eligible works, from different contractors but they may require more or fewer than three estimates in any particular case.

**Estimates should not be obtained at application stage.** Applicants should wait until they have received a copy of the council's schedule of works to ensure that the estimates cover all of the works to be carried out.

The estimates must be completely independent of each other and of the applicant, their relatives and their associated companies. They must also be competitive and itemised, that is a separate price for each item of work.

The Council will, by reference to current building prices, determine whether the proposed cost of each item of eligible work is reasonable. If the costs are deemed excessive the eligible cost may be reduced to a reasonable level. Estimates submitted may be subjected to review by the Council's Internal Audit Team.

### **Means test for Empty Property Grant:**

There is no means test for landlords applying for this grant. The amount of grant will be calculated as 100% of the eligible cost of works.

### **Grant amount for Empty Property Grant:**

The grant is a maximum of £25,000 per self-contained dwelling, regardless of the number of bedrooms.

### **CONDITIONS ATTACHED TO EMPTY PROPERTY GRANT:**

These conditions will apply from the date of approval of the grant until the end of a period of 5 years commencing with the certified date.

They will be registered as a local land charge.

They are binding on any person who is for the time being an owner of the premises concerned.

### **Disposal of the dwelling:**

It is a condition of the grant that:-

- (1) If an owner makes a relevant disposal through sale, assignment, transfer or otherwise of the whole or part of the premises or dwelling to which the application relates, he shall re-pay the Local Housing Authority on demand the amount of grant that has been paid.
- (2) The applicant shall forthwith notify the Local Housing Authority in writing of his intention to make a relevant disposal through sale, assignment, transfer or otherwise of the whole or part of the premises or dwelling and shall furnish to the Authority any information reasonably requested by them in connection with such a notification.

### **NOTES**

1. Repayment will not be required immediately where a joint owner(s) dies and the dwelling is re-registered solely in the name(s) of the surviving proprietor(s) but the condition will continue to apply.
2. If an applicant gives some other person the right to require the dwelling to be disposed of, he will be held to have made a relevant disposal to that person.
3. A voluntary repayment of the amount of grant may be made at any time in full by the owner for the time being or by a mortgagee entitled to exercise a power of sale whereupon all grant conditions shall cease to be in force,
4. On repayment of the sum demanded following a relevant disposal the conditions shall cease to be in force.

### **DEFINITIONS**

1. 'Certified Date' means the date certified by the Local Authority as the date on which the execution of the eligible works is completed to their satisfaction. 'Date of Approval' means the date on which the application for grant is formally approved.
2. Disposal, whether of the whole or part of the premises is a 'relevant disposal' if it is:-
  - (i) sale of the freehold or an assignment of the lease or
  - (ii) the grant of a lease (other than a mortgage term) for a term of more than 21 years otherwise than at a rack rent or
  - (iii) any other form of sale, assignment, transfer or disposal.

**Nomination rights:**

The Council may secure nomination rights for the property for 5 years and the landlord will be required to sign a formal nominations agreement to this effect.

If the Council do not have a need for the type of housing that would be provided by offering an empty property grant then the Council will not offer a grant for the refurbishment of that empty property. The determination of need is managed by the Council's Housing Initiatives team.

The property must also be managed by either a registered housing provider (this may be in the form of a lease) or by an accredited landlord (A certificate from a Landlord Accreditation Scheme will be required).

**Insurance and compensation claims:**

Where the proposed works are subject to an insurance claim or a claim against a third party we may consider an application for grant assistance. The applicant shall take reasonable steps to pursue insurance claims or legal claims relating to the eligible works and shall repay the grant, so far as is appropriate, if the claim is successful.

In the event of failure to make repayment when a claim is successful the Council will demand repayment of the appropriate amount together with interest.

As claims can be protracted there is no time limit attached to this provision. In determining the amount to recover, the terms of settlement received by the applicant will be fully considered.

**Carrying out and completion of works:**

In approving an application for a grant the Council will require as a condition of payment of the grant that the eligible works are carried out in accordance with such specifications as they determine.

The eligible works must be carried out within 6 months from the date of approval of the application. The Council in extenuating circumstances may extend this period. The Council reserve the right to periodically inspect the property to determine the progress of the works, if at any point officers believe that the eligible works will not be completed within the 6 month period the Council can withdraw the offer of a grant.

The eligible works must be completed to the satisfaction of the council and acceptable invoices, demands or receipts for the works and any preliminary or ancillary services or charges must be provided. An invoice, demand or receipt is not acceptable if given by the applicant or a member of his family.

Unless the Council directs otherwise, the eligible works must be carried out by the contractor whose estimate accompanied the application.

**Repayment where applicant not entitled to grant:**

Where an application for a grant is approved but it subsequently appears to the Council that the applicant was not entitled to that grant the Council will not pay the grant or any further installments.

The Council will demand repayment of the grant plus interest from the date it was paid until repayment.

## **Applicant ceases to be entitled before payment of the grant**

The grant will not be paid, or if applicable no further instalments will be paid and the Council will demand repayment of any instalments together with interest from the date it was paid until repayment:

- (a) If an applicant ceases to have a qualifying owner's interest or ceases to have the intention set out in the owner-occupation certificate accompanying the application, or
- (b) If an applicant (landlord) ceases to have the duty or power to carry out the works, or
- (c) If an applicant (tenant) ceases to be a qualifying tenant of the dwelling, or
- (d) If the landlord of a property subject to a tenant's application ceases to have the intention set out in the certificate of intended letting accompanying the application, or
- (e) If it appears that on completion the property will not be free of category 1 hazards, will not meet the Decent Homes Standard, or the financial and other arrangements for carrying out the works are not satisfactory, or the giving of grant is no longer the most appropriate course of action.

## **Certificate of Future Occupation**

**Landlord's application** - The applicant must sign the relevant certificate of intended letting which certifies that they have, or propose to acquire, a qualifying owner's interest in the property and that they intend that the property, or part of it, will be residentially occupied or available for residential occupation under tenancies or licences by persons who are not connected with the owner of the house for a period of 5 years. 'Residential occupation' does not include a letting on a long term tenancy or occupation for a holiday but does include the grant of a licence to occupy the property. There may be any number of individual lettings during the 5 year period.

Notes:

- (a) An owner's interest or a qualifying owner's interest means a freehold interest or leasehold interest where there is at least 10 years of the lease remaining, and a duty or power to carry out the relevant works.
- (b) The Council may at any time serve a notice on the owner of the dwelling requiring a statement showing how the condition of occupation is being fulfilled.
- (c) In the event of any breach of the certificate of future occupation, including not complying with the intention set out in the certificate, the Council will demand repayment of the grant together with interest from 'the certified date'.

## **Mortgagee repossessions:**

Where a mortgagee exercises their right to sell the property, we will seek to recover the full grant amount provided that there is sufficient equity.

## **To keep the property free of category 1 hazards, in a good state of repair and up to the Decent Homes Standard for 5 years:**

Where an applicant has a duty or power to carry out works of repair to a grant-aided property, they must ensure that the property is kept free of category 1 hazards, in a good state of repair and meets the Decent Homes Standard for the full 5 years following satisfactory completion of works.

## **Requirement for Energy Efficiency Survey:**

All applications must be accompanied by an Energy Efficiency Survey of the property to which the grant relates.

## **Death of applicant:**

Where the applicant dies after liability has been incurred for any preliminary or ancillary services or charges, the Council may pay grant in respect of some or all of those matters.

Where the applicant dies after the relevant works have begun and before the certified date of completion, the council may pay grant in respect of some or all of the works already carried out and other relevant works covered by the application.

Any reference to the applicant shall be construed in relation to any time after their death as a reference to their personal representatives.

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## **Other Options**

There are a number of other options available to owners of empty properties to assist them to return properties to use. Further information is available from the Empty Property Officer, on 020 8760 5470.