



**HOUSING AND ENERGY SERVICE  
PLACE DIRECTORATE**

**Empty Property Financial Support Policy**

**Empty Homes Programme (2018)**

**1. Purpose:**

- a. To provide financial assistance for improvement works to enable long term empty homes to be brought back into use in the Borough as part of the Empty Homes Programme.

**2. What support we can provide**



<b>Loans (<i>Interest Free</i>)</b>		<b>Grants</b>
The council will inspect the property and produce a Schedule of Works, which will detail the improvement works required to bring the property back into use. Work will be prioritised in order against the following: <ul style="list-style-type: none"> <li>• Work identified with regard to a Housing Health and Safety Rating System assessment.</li> <li>• Works required to comply with the Barnsley MBC Landlords' and Managing Agents' Accreditation Scheme.</li> <li>• Work required improving the energy efficiency of the property.</li> <li>• Work required improving the general letting standard of the property. This can include basic landscaping and boundary treatment work.</li> <li>• For 'finishing' of the property, basic wall/floor coverings will be offered as an option for those properties that will be tenanted on completion.</li> </ul>		
The maximum loan available per property is £17,500, minus a 10% contribution from the property owner towards the cost of the works. For example, with a total package of works costing £17,500, the loan element would be £15,750 and the owner would contribute £1,750. The owner will be required to pay 100% of any excess cost above the loan limit. If the owner is unable to fund the excess sum above the loan limit then the loan may not be approved. A loan is offered if the outstanding costs ( <i>mortgages, other debt &amp; financial assistance</i> ) don't exceed 75% of the property value.		The maximum grant available per property is £17,500, minus a 10% contribution from the property owner towards the cost of the works. For example, with a total package of works costing £17,500, the grant element would be £15,750 and the owner would contribute £1,750. The owner will be required to pay 100% of any excess cost above the grant limit. If the owner is unable to fund the excess sum above the grant limit then the grant may not be approved. Please note for a grant to be accepted the outstanding costs ( <i>mortgages, other debt &amp; financial assistance</i> ) must exceed 75% of the property value.
<b>Example</b>		
Current Property Value	£100,000	£100,000
75% of Property Value	£75,000	£75,000
Current Property Debt	£25,000	£60,000
Proposed Property Debt	£40,750 – not enough debt = <b>loan</b>	£75,750 – enough debt = <b>grant</b>

### **3. Procurement Conditions for Empty Homes Works:**

- a) The owner will be required to obtain at least three quotations from SSIP (Safety Schemes in Procurement) registered contractors of their choice. At least one of the contractors must be based in the Barnsley borough.
- b) Please note that SSIP accreditation demonstrates that the contractor has been assessed as having satisfactory Health and Safety management systems in place. SSIP does not assess a contractor's competency to undertake a given construction task. The owner should therefore satisfy themselves that the contractors they invite to tender have the appropriate skills, experience, resources, and qualifications etc. to undertake the works in a satisfactory manner and to the required standard.
- c) The owner must ensure the contractors send their quotations, in a write-protected format (e.g. PDF), directly to the council on [emptyhomes@barnsley.gov.uk](mailto:emptyhomes@barnsley.gov.uk) for assessment within 4 weeks of the production of the specification of works required. The council will recommend the appointment of the contractor and to determine the award of a grant/loan within two weeks of receiving the written quotations.
- d) The quotations must be itemised and will be based on the council's Schedule of Works. The lowest price quotation may be used as the basis for assessing the grant/loan. However, the council reserves the right to reduce the amount of assistance if the council ascertains that the aggregate of the cost of completing the works and the costs and expenses incurred with respect to preliminary and ancillary services and charges is or is likely to be, lower than the estimated expense or that there are concerns over the contractors' deliverability of the works.
- e) The owner and/or their contractor will be required to obtain adequate insurance in relation to the works, for the duration of the project (requirements will be provided upon request).

### **4. Management of Empty Homes Works:**

- a. On determination of a grant/loan being awarded, the owner will be required to sign a Grant/Loan Agreement (a copy will be provided upon request).
- b. Following the appointment of the contractor, the owner will be required to act as 'Client' for the project under the Construction (Design and Management) Regulations 2015, fulfilling their duties in this role accordingly. Part of these duties will require the owner (as 'Client') to formally appoint the contractor as 'Principal Contractor' and 'Principal Designer'.
- c. The owner will be expected to manage the contractor on site and resolve any issues around poor contractor performance themselves.

### **5. Payment:**

- a. On completion of the empty homes works, the council or its agent will inspect the property to ensure that the Schedule of Works has been adhered to and that the finished job is to a satisfactory standard. On receipt of a copy of the contractor's invoice, all relevant certification, and following the remedy of any apparent defects, the council or its agent will make one payment only to the owner. No interim payments will be made. The council reserves the right to withhold or reduce grant/loan, should the invoice, certification, or standard of works prove unacceptable or unsatisfactory.

### **6. Eligibility Criteria:**

- a. The total amount of financial support for the Empty Homes programme is limited. As a result the council retains the right to limit the total number of grants/loans paid to a property owner. There is no automatic entitlement to financial assistance; each application will be assessed on a case by case basis by the council or its agent.
- b. The applicant will be required to provide evidence of the ownership of the property. For the purpose of the grant/loan, a property is defined as a unit of accommodation for which an individual charge for council tax is applicable.
- c. The property will be located within the boundary of the borough.
- d. The property must be a private residential property that has been empty for at least 6 months (i.e. long term empty).
- e. Owners who will be occupying the property on completion of works will need to demonstrate upon application of the grant/loan that they are a first time property owner or that they are purchasing a property as a consequence of divorce or separation.
- f. The financial support will only be made available to landlords or potential landlords who are existing members of or who join the Barnsley MBC Landlords' and Managing Agents' Accreditation scheme. Where a landlord chooses to use a managing agent to manage their property, the managing agent also needs to be an existing member or join the Barnsley MBC Landlords' and Managing Agents' Accreditation scheme.

- g. Properties that benefit from the Empty Homes financial support cannot at the same time benefit from grant/loan funding linked to membership of the Barnsley MBC Landlords' and Managing Agents' Accreditation Scheme.
- h. Private ex-commercial properties (e.g. potential flats above shops, shops to houses), may be considered, providing that a 'change of use' has been agreed and finalised by the council's Planning department.
- i. Owners should satisfy themselves that they are not precluded from receiving financial support under State Aid legislation. See the following website for further information;  
<https://www.gov.uk/guidance/state-aid>
- j. Financial support cannot be paid for works which have been carried out previously through grant/loan funded Council schemes in the previous 10 years.
- k. Properties should have a good life expectancy (this is likely to rule out many properties that have been built using non-traditional methods of construction).
- l. Applications for financial support from owners/landlords with outstanding debts owed to the council will not be progressed until such time as outstanding debts are paid in full.

## 7. Priority criteria:

- a. Initial priority will be given to property owners who are already on the waiting list for an Empty Homes grant/loan and will be dealt with in date order. Following this, any applications will be dealt with in order of enquiry date.

## 8. General Conditions:

- a) A Local Land Charge will be placed on the property for the grant/loan amount for 5 years.
- b) Unless otherwise agreed with the Council, the owners/Landlords must enter into an industry- approved build contract (e.g. RIBA, JCT, NEC) with the appointed contractor. A signed copy of the contract shall be provided to the Council upon request.
- c) The owner confirms that in respect of obtaining quotations for the works, s/he:
  - has not colluded with any of the contractor to fix or adjust the quotation;
  - has not communicated the quotation or terms to any of the contractors;
  - has not entered into arrangements with other contractors or parties not to provide a quotation, or to quote a certain price or terms; and
  - has not given inducements or rewards to the council or their representatives
- d) If the property is sold within 5 years following completion of the works, the loan must be paid in full or the grant will be repaid using the sliding scale below.
- e) Grant Sliding Scale:

Period begins following completion of the works	YEARS					Zero after 5 year period
	1	2	3	4	5	
	100%	100%	75%	50%	25%	
	PERCENTAGE OF GRANT REPAYMENT					

- f) Any breach of the conditions as set out in the financial support agreement will result in full repayment of the grant/loan
- g) Landlords receiving funding will be required to maintain their membership of the Barnsley MBC Landlords' and Managing Agents' Accreditation Scheme for five years. Failure to do this will result in full repayment of the grant/loan.
- h) Landlords and Owner Occupiers certify that s/he has acquired or proposes to acquire a qualifying *owner's interest* in the dwelling or flat and that during the *condition period*:  
Additionally;
  - (i) Landlords certify that the dwelling or flat will be let or available for letting as a residence (and not for a holiday) to a person who is not connected with the Landlords and on a tenancy, which is not a long tenancy.
  - (ii) Owner occupiers certify that the dwelling will be the only or main residence of and will be occupied by either the owner or a person(s) who is a *member* of the owner's family.
- i) It is a condition that if, within the condition period, the owners/landlords make a *relevant disposal* of the dwelling s/he is obliged to repay to the council in part or in full the grant/loan. The owners/landlords is/are required to notify the council forthwith in writing of their intention to make a *relevant disposal* and to give the council any information reasonably requested by them in that connection.

**Please see footnote for special conditions attached to paragraphs h) and i).<sup>1</sup>**

- j) The executor or the administrator who is/are responsible for administering the estate of the deceased, shall be held responsible for discharging the repayment obligation of the deceased or the successor of the dwelling or flat, from the sales proceeds of the dwelling or flat where a *relevant disposal* is made, using the sliding scale.
- k) Upon completion of the works, the property should be occupied by a tenant or owner-occupier (as applicable) as soon as possible and no later than three months following completion.
- l) A periodic check on the property will be carried out to determine continued occupation, to ensure conditions are being met.
- m) The property owner must agree to work with the council or its agent to bring the property back into use, throughout the process and following completion of works.
- n) Financial support cannot be claimed retrospectively.
- o) The owner will be responsible for any notifications that may be required under the Party Wall Act, 1996.
- p) The owner will be responsible for ensuring that where applicable, Building Regulation and/or Planning approvals are obtained at the appropriate stages of the works.
- q) The offer of financial support is conditional on the works being satisfactorily completed within six months of the date of approval.
- r) Owners should satisfy themselves that they are not precluded from receiving financial support under State Aid legislation. See the following website for further information; <https://www.gov.uk/guidance/state-aid>
- s) The Council reserves the right to use any photographs of the property and a brief description of any works done, for publicity purposes.

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1. Having an “*owner’s interest*” means owning the freehold of the property, or the leasehold of which not less than five years remain un-expired at the date of the application, whether the property is owned alone or jointly with others.
  2. “*Condition period*” means the period of five years, or such other period as may be imposed by the Council, beginning with the date certified by the Council as the date of completion of the eligible works to their satisfaction.
  3. A person is a *member* of another’s family if that person is:
    - a) the other’s wife or husband or that person lives with the other as wife or husband; OR
    - b) a son or daughter or a son-in-law or daughter-in-law of the other, or of the other’s wife or husband (“son” or “daughter” includes any step-son or step-daughter and any illegitimate son or daughter, and “son-in-law” and “daughter-in-law” are to be construed accordingly); OR
    - c) a parent, grandparent, brother, sister, aunt, uncle, nephew or niece of the other, or of the other’s wife or husband, whether the relationship is by blood or marriage.
  4. “*Relevant disposal*” means the sale of the freehold or assignment of the lease, or the grant of a long lease (one of over 21 years, otherwise than at a rack rent).