



Home Owners Support Fund: Mortgage to Rent Scheme Policy & Procedure

October 2017



1. Policy

- 1.1. This policy is designed to sit alongside the Scottish Government's Home Owners Support Fund's Mortgage to Rent guidance for landlords. The aim of this policy is to help prevent and reduce homelessness by assisting home owners who are in financial difficulty and in danger of being made homeless to remain in their home.

2. Scope

- 2.1. This policy applies to successful applications made by Angus households to the Home Owners Support Fund's Mortgage to Rent Scheme.
- 2.2. The application of this scheme will be determined on a case by case basis and only when there is capacity within the HOSF grant scheme and Angus Council's financial plan.

3. Guiding Principles

- 3.1. The Guiding Principles of the policy are:
 - The Council will only consider purchasing properties which meet the following criteria:
 - a) The property meets identified criteria: including the type, size, quality and location of the property;
 - b) Any repairs required to bring the property up to the Scottish Housing Quality Standard can be funded through the repairs subsidy or will be met by the home owner through the release of equity or separate contribution unless otherwise agreed by the CHT manager.
 - c) Purchasing the property will deliver value for money in line with other available options; and
 - d) The property meets the household's needs, including any identified medical or support needs.
 - The Council will utilise grant funding from the Scottish Government's Home Owners Support Fund.
 - Properties must be of standard construction type.
 - Properties are subject to a full repairs inspection and the reported findings and repairs costs will be considered alongside the circumstances of the household to inform recommendations made by appropriate council officers.

4. Procedure

- 4.1. An annual budget may be identified. This includes financial resources from the Home Owners Support Fund, the Capital Programme, the Affordable Housing Revenue Account and the Affordable Housing Account.
- 4.2. The Home Owners Support Fund will send details of the property to the AffordableHousingTeam mailbox.

- 4.3. The Housing Policy Officer (Enablement) will determine whether to note interest in the property, considering the guiding principles set out in 3.1. and in discussion with the Community Housing Team manager. The Housing Policy Officer (Enablement) may contact Welfare Rights, CAB or the Housing Options service for further background information if the household is known to these services.
- 4.4. The Housing Policy Officer (Enablement) will maintain a case record for each property detailing all actions, considerations and contacts, held in Housing Options - \\dcnasfs\Communities\Housing\Housing Strategy\Housing Options\Mortgage to Rent Scheme\Case Records.
- 4.5. The Housing Policy Officer (Enablement) will respond to the Home Owners Support Fund with either an expression of interest or refusal **within 2 working days**. An expression of interest should indicate whether:
- The property was previously part of Angus Council's housing stock;
 - Angus Council is a factor for the property (or neighbouring properties);
 - Angus Council has any properties in the same street or wider area;
 - The homeowner(s) have outstanding debt to Angus Council for rent or council tax, etc.
- 4.6. The Home Owners Support Fund will notify the Housing Policy Officer (Enablement) if the Council will be offered the property within **5 working days**. If another social landlord is offered the property and withdraws their interest, the Home Owners Support Fund will revert to other parties who have noted an interest.
- 4.7. If successful, the Home Owners Support Fund will send the Housing Policy Officer (Enablement):
- the contact details of the present owner
 - a copy of the single survey carried out by the scheme surveyor
 - a copy of the repairs pro forma
- 4.8. The Housing Policy Officer (Enablement) will forward the above information to the Community Housing Team manager requesting contact is made with the homeowner to arrange a visit and full repairs inspection. The Housing Officer (technical) will:
- Assess the condition (including commissioning of gas and electrical safety checks)
 - Commission asbestos checks where necessary
 - Complete the normal pre-tenancy checks

The Housing Officer (Communities) will:

- Create a PREVENT case on Northgate to record the Mortgage to Rent application and any other prevention activities
- Determine the social rent that would be charged and advise the homeowner(s) of any benefits they may be entitled to and their responsibilities as a tenant;
- Determine whether the property meets the needs of the household;
- Confirm if there is a record of anti-social behaviour; and

- In cases where the house is in a poor condition, make a decision on the person's suitability as a tenant. A sympathetic view should be taken in these cases as there are very often extenuating circumstances which may have contributed to the problem in the first place. In such circumstances we will give the applicant the opportunity to improve the condition before making a final decision.
- 4.9. The Community Housing Team will forward a report of their findings by completing the repairs pro forma and Housing Officer checklist, to the Housing Policy Officer (Enablement).
 - 4.10. The Housing Policy Officer (Enablement) will check the repairs pro forma is fully completed and send it on to the Home Owner's Support Fund. The repairs proforma should be forwarded to the Home Owner's Support Fund within **10 working days** of the Home Owner Support Fund notifying the Housing Officer (Enablement) the council has been offered the property. Where this is not possible, the Housing Policy Officer (Enablement) should notify the Home Owners Support Fund of the delay.
 - 4.11. On receipt of the repairs pro forma, the Home Owners Support Fund will provide the Housing Policy Officer (Enablement) with a breakdown of the anticipated subsidy, noting the purchase subsidy, the repairs subsidy (if applicable) and the administration allowance (currently £900).
 - 4.12. The Housing Policy Officer (Enablement) will consider the subsidy, alongside the information received from the CHT and make a recommendation on whether to proceed with the purchase. In cases where the repairs required are in excess of £8,500, the Housing Policy Officer (Enablement) will liaise with the home owner(s) and Home Owners Support Fund re releasing any expected equity from the sale to cover the excess repairs cost. Where there is no equity the Housing Policy Officer (Enablement) will establish with the home owner(s) if they have any other means to meet the costs (e.g. via a third party). If this is not viable, the Housing Policy Officer (Enablement) will discuss with the CHT manager whether they are agreeable to funding the excess costs. There is no obligation for the Council to fund excess repairs and in cases where excess repairs work is not viable, the purchase will not proceed.
 - 4.13. The Housing Policy Officer (Enablement) will forward their recommendation to the Housing Strategy Manager (up to £25,000) or Service Manager (Housing) (more than £25,000) for agreement.
 - 4.14. The Housing Policy Officer (Enablement) will notify the Home Owner Support Fund of the decision either to proceed in principle or not to proceed, within **3 working days**. Although this may be delayed where there are excess repairs costs to consider. If the decision is to proceed in principle, the Housing Policy Officer (Enablement) will notify Legal Services and forward them a copy of the single survey.
 - 4.15. On confirmation we are content to proceed with the purchase in principle, the Home Owners Support Fund will issue a formal offer letter.

- 4.16. The Housing Policy (Officer) Enablement will forward the offer letter and associated legal documents, including the title deeds to Legal for checking as soon as possible.
- 4.17. The acceptance of the offer letter should be returned to the Home Owners Support Fund within **10 working days**. On receipt of the signed acceptance, the Home Owners Support Fund will pass the case to their lawyers for conveyancing. This will take approximately 5 weeks.
- 4.18. When notified by the Home Owners Support Fund, the Housing Policy Officer (Enablement) will confirm the date of sale completion with the Community Housing Team Manager. The Housing Policy Officer (Enablement) will instruct the property details to be entered onto Northgate and the Housing Officer (Communities) will arrange tenancy sign up. The tenancy agreement must begin on the same date as the sale of the property completes.
- 4.19 The property will be allocated as a Scottish Secure Tenancy unless the household has a record of anti-social behaviour. In these cases the tenancy will be a Short Scottish Secure Tenancy under the grounds set out in Schedule 6 of the Housing (Scotland) Act 2001.

5. Further information

- 5.1. If you require further information about the scheme please contact ACCESSLine on 03452 777 778.