



Llywodraeth Cymru
Welsh Government

NEWPORT CITY COUNCIL

SAFE, WARM & SECURE

HOME IMPROVEMENT LOAN SCHEME

Customer Information Document
for owner-occupiers

Mae'r ddogfen hon ar gael yn Gymraeg. Mae fformatau eraill ar gael ar gais.
This document is available in Welsh. Other formats are available on request.

1 Purpose

The 'Safe, Warm and Secure' scheme is funded by the Welsh Government to provide interest-free loans for housing improvements where commercial finance cannot easily be obtained. Improvements could be any essential work that is needed to make a home safe, warm or secure, such as a new heating system, replacement doors or windows, roof repairs, damp proofing, electrical re-wiring. Whilst this list is not exhaustive, routine maintenance or cosmetic renovations are not covered under this scheme, e.g. loft conversions, extensions, general redecoration.

Furthermore, loan assistance will not be available for the following: Properties which are not of a permanent nature such as houseboats and caravans; Sheds, outhouses and extensions such as conservatories which do not have Building Regulations approval; Buildings not suitable for conversion to habitable dwellings.

2 Loans

The minimum loan is £1,000.

The maximum loan for one flat or house is £35,000, provided this does not amount to more than 80% of your home's current value. If you have a mortgage, the amount you owe, plus the amount of the loan, must be no more than 80% of your home's current value. If there is any doubt about this, we may ask you to provide a valuation report from a RICS surveyor, at your own cost.

3 Loan security

The property must be registered at Land Registry.

All loans will be registered as a legal charge at the Land Registry, so the loan is, in effect, a mortgage on your property. The loan must take either first or second legal charge on the property.

4 Whose mortgages do we offer?

Newport City Council will only offer its own mortgages.

5 What assistance will we provide you with?

We will tell you about the mortgage products we have available and whether they are suitable for you, based on your needs and circumstances. You will then need to make your own choice about how to proceed.

6 What if you already have a mortgage?

If you already have a mortgage, we will need to obtain the consent of your first lender to register the council's charge at the Land Registry. With your authorisation, our solicitor can obtain this information from your mortgage provider. Please note: your lender does not have to give their consent; you may wish to contact them before applying to ask whether they have a policy on this.

7 Can leaseholders apply?

If you are a leaseholder, there would need to be enough financial value in your remaining lease to secure the loan; the loan could not exceed 80% of the lease's value. You would need to have the written consent of the freeholder and there would need to be at least 7 years left on the lease. If you are a tenant, your landlord would need to apply for the loan.

8 Can you afford a loan?

If you take out a loan under this scheme but fail to repay it, your home will be at risk. We ask that you complete a financial declaration and provide evidence of your income and outgoings for the past 3 months. We will also need an up-to-date statement of your mortgage, if you have one, and any other financial commitments such as loans or credit cards. If you have any outstanding debts to the council, we may not be able to offer a loan.

An affordability assessment will be carried out¹ to make sure that you can afford to repay the loan. If you cannot afford a repayment loan but there are repair issues in your home that present a significant risk, we may be able to offer an equity loan which would not be repayable until your home is sold or otherwise disposed of.

9 Interest

All Safe, Warm & Secure loans are interest-free.

10 What fees will you have to pay?

- For repayment loans, a fee of 5% of the loan value, up to a maximum of £500, payable for administration and legal costs. This is payable when you return the signed loan agreement but can be added to your monthly loan repayments if you wish so that you do not have to pay it all at once.
- For equity loans, a fee of £250 for administration and legal costs. This is payable when the property is sold or otherwise disposed of.

¹ Affordability assessments will be carried out on behalf of the council by a partner agency, Newport Credit Union

11 Refund of Fees

Fees for repayment loans are payable when the signed loan agreement is returned to the council. If the loan is then cancelled before any loan funding has been paid out, the fee will be refunded in full.

12 Repayment

The loan will normally be repayable by monthly repayments over 5 years. We will ask you to authorise direct debits from your bank account. Your monthly repayments should be set at a level you find affordable but, if your circumstances change and you have any difficulty keeping up the repayments, you must let us know as soon as possible so that we can discuss this with you.

Once the loan has been repaid, our Legal section will contact the Land Registry to request removal of the legal charge.

Please note that if you sell your property during the loan term, the whole of the loan will be due for repayment upon completion of that sale.

13 Disabled Facilities Grants

If you qualify for a Disabled Facilities Grant but are required to pay towards the cost of works due to your income, you may be able to apply for a loan to cover these costs. For clients who qualify for a Disabled Facilities Grant, the council provides a Home Improvement Agency Service; we will specify the work and manage the contractor for the grant works.

14 Getting the work done

The council is unable to offer an agency service for general improvement works. If you are applying for a loan to cover general improvement works to your home, you will need to find reliable contractors who can do the work for you and ask them to give you a quote for the work. You should get quotes from at least two contractors and send these in with your loan application. If required, we can provide a list of contractors who are approved to carry out housing improvement works for Newport City Council but this should not be taken as a recommendation. Newport City Council is not responsible for the works you carry out; you will be responsible for employing the contractors and supervising the work. We will visit your property to see what you are planning to do before the work begins and when it is completed or nearing completion.

15 Payment of the loan money

We will pay the loan money to you once the legal charge has been registered. It is your responsibility to pay the contractor.

Please note: no loan monies can be released until the registration of the legal charge. **Any works you undertake prior to this will be at your own risk.**

16 The application process

Loans are subject to the availability of funding. Following your enquiry:

- You will be contacted by a member of the team to discuss your enquiry form. If qualifying, we will provide you with a full application and financial assessment form
- Upon receipt of your completed application forms, we will carry out pre-checks such as whether you have any outstanding debts with Newport City Council
- We will visit your property to discuss the works you want to carry out
- We will ask Newport Credit Union to make a financial assessment and a recommendation regarding the affordability of a loan
- If you have a mortgage, we will also ask you for written authorisation to contact your mortgage lender for their consent to the council's legal charge
- We will make a decision on your application and let you know whether your application has been approved or not

If your loan is approved, we will:

- Contact your first lender to obtain their agreement to a second charge
- Send you a loan agreement, a legal charge document and a Direct Debit authorisation; we advise you to discuss these with a financial adviser or solicitor to help you decide whether this loan is right for you. If you wish to go ahead, you must return the signed documents within 8 weeks
- Apply for registration of the council's charge at the Land Registry and, once that is confirmed, we will transfer the loan money to you
- Collect your monthly payments, including the fee, from your bank under your Direct Debit authorisation

17 Carrying out work to your home or property

For some types of work to your property, you will need Building Regulations approval; there is information on the council's website www.newport.gov.uk. You can also e-mail building.control@newport.gov.uk or telephone the city contact centre on 01633 656656 and ask for Building Control. Before you hire someone to carry out work, you should check if you need Building Regulations approval.

If you are planning to change the use of all or part of your property, or do something that will change its appearance, you will probably need planning permission. There is information on the council's website www.newport.gov.uk about what types of work need planning permission. A duty Planning Officer is available on Mondays and Thursdays between 9.30am and 12.30pm via telephone: 01633 656656 and email: planning@newport.gov.uk to answer general planning queries. Officers will be available on a Monday between 10.15am and 3.45pm for 45-minute face-to-face appointments in the Central Library and Museum, John Frost Square, Newport. It is recommended that members of the public pre-book appointments in advance.

If you live in a conservation area, you will need to check with the council before doing any work on your home. There are 15 conservation areas in the Newport area: Beechwood Park, Belle Vue Park, Caerleon, Clytha, Kensington Place, Lower Dock Street, Lower Machen, Monmouthshire & Brecon Canal, Redwick, St Woolos, Stow Park, The Shrubbery, Town Centre, Tredegar House and grounds, Waterloo.

18 Finding a Contractor

The Citizens' Advice Bureau has very useful advice 'Before You Get Building Work Done' on their website and they also have a consumer helpline 03454 040506.

When you are thinking about hiring a contractor, try to get personal recommendations from someone they have already worked for, not just recently but some time ago, in case there were problems later. Check what a contractor tells you about their business - ask to see a business card or a headed letter, then ring the business to check that it exists and that the contractor works for them. If they will only give you a mobile number, beware – they may be hard to get hold of if things go wrong! You can also check on the UK government's website for Companies House, at www.gov.uk/government/organisations/companies-house to see when a company was set up, where its registered office is and who its directors are.

A reliable contractor will be prepared to offer an insurance-backed warranty for the product or work before you pay. You should also ask what other insurance they have and, if you have any doubts, ask to see their insurance certificate.

When you meet a builder, ask them for a written quote. You should always try to get two or three quotes so that you can compare prices but be wary of anyone who offers you a much lower price for the same work, it may be that they are not doing work to the same standard.

For some kinds of work, contractors can be registered under a scheme to confirm that they are competent to carry out that work or use that product. It is a legal requirement that electricians and gas engineers are registered.

When you are thinking about hiring a contractor, always check what qualifications they have for the job. The table on page 8 shows different kinds of work you may want to have carried out at your home and where you might find a contractor who should be reliable.

19 Buildings insurance

For the duration of Newport City Council's legal charge, the Borrower has a duty to ensure that the property is kept insured for such amount, in such name and against loss or damage due to such risks as the Lender may approve.

The insurance policy must note Newport City Council as an interested party and a copy of the policy must be supplied upon request.

20 What to do if you have a complaint

If you wish to make a complaint, please contact us:

Newport City Council
Housing Strategy & Delivery Team
Civic Centre
Newport
NP20 4UR
Telephone: City Contact Centre 01633 656656
Email: Housing.Strategy@newport.gov.uk

If we cannot settle your complaint, you may be entitled to refer it to the Public Services Ombudsman for Wales.

www.ombudsman.wales

1 Ffordd yr Hen Gae
Pencoed
CF35 5LJ

Telephone: 0300 790 0203

Finding a Contractor

Type of work	Where to check – accreditation or registration schemes	Links/contact
Electrical work – electricians must be registered	BRE Certification Ltd	www.partp.co.uk Tel. 0870 609 6093
	British Standards Institution	www.bsi-global.com/kitemark Tel. 01442 203442
	ELECSA Limited	www.elecsa.org.uk Tel. 0870 749 0080
	NAPIT Certification Limited	www.napit.org.uk Tel.0870 44401392
	NINEIC Certification Services Ltd	www.niceic.org.uk Tel. 0800 013 0900
Gas – all gas engineers must be registered	Gas Safe Register	www.gassaferegister.co.uk Tel. 0800 408 5500
Doors and windows – if your installer is not registered, you must get building regulations approval	FENSA or CERTASS competent person scheme	www.fensa.co.uk Tel. 020 7645 3700
Wall insulation	<ul style="list-style-type: none"> • British Board of Agrément (BBA) certificate scheme • PAS 2030 certificate 	www.bbacerts.co.uk Tel. 01923 665300
Plumbing and heating	Association of Plumbing and Heating Contractors (APHC)	www.aphc.co.uk Tel. 0121 711 5030
Roofing	National Federation of Roofing Contractors Ltd – Competent Roofer scheme	www.competentroofer.co.uk Tel. 020 7448 3189
General	Trust Mark government endorsed standards scheme	www.trustmark.org.uk Tel. 03333 555 1234
Energy efficiency measures	Guide to retrofitting your home	https://www.trustmark.org.uk/docs/default-source/retrofit/trustmark%27s-guide-to-retrofitting-your-home.pdf