

LOAN SCHEME

Thanet District Council - Owner Occupier Loan Initiative

1.0 INTRODUCTION

The “Owner Occupier Loan” initiative has been developed by Thanet District Council in partnership with Kent County Council’s No Use Empty Team to offer an interest free loan of up to a maximum of £25,000 (Twenty Five Thousand Pounds) to individual(s) who have purchased an empty property (which has been empty for more than 6 months) and wish to obtain a loan to assist with the refurbishment costs, which will then be occupied by them on completion of works for a minimum of five years.

This booklet describes how the Loan Scheme will operate, how to make an application and the conditions that will be attached to the loans.

It also addresses the Districts’ obligations to reduce the number of vulnerable households living in non-decent housing.

All loans approved will be subject to a number of conditions to ensure that the loan fund monies are “recycled” to assist further empty property development schemes.

Any offer of a loan is not guaranteed until you have received formal approval from Thanet District Council (TDC). Any works you undertake prior to this approval will be at your own risk.

Any queries relating to this scheme and loan conditions should be referred to No Use Empty, 2nd Floor Invicta House, Maidstone, Kent, ME14 1XX Telephone no 03000 418809 e mail nouseempty@kent.gov.uk

2.0 FEES

Land Registry

The Council’s appointed Solicitors are required to register a first or second charge on the property being offered as security of loan. Thanet District Council will cover this cost on behalf of the applicant if the loan application is successful.

Valuation Fee

- All applications must be supported by a valuation report to be undertaken by a member of the Royal Institute of Chartered Surveyors (RICS) on the property offered as security for the loan. The report should confirm current market value and the potential value (on completion of works).
- The cost of the valuation is payable by the applicant and no application for a loan will be processed without this document.

- Please note that Thanet District Council (TDC) must be named as an interested party and the surveyor must note that TDC is relying on the valuation report for the purpose of loan application.
- Please note that valuations from a local Estate Agent will not be accepted.

The fee for the valuation will be dependent on the property in question and is likely to be in the region of £500-£800 + VAT at the prevailing rate.

You may include the costs of the valuation in your application for a loan if you wish. However, the costs of the valuation will not be returned should your application be unsuccessful.

It is recommended that applicants source their own approved surveyor to carry this out. See Section 5.0 Loan Security for further information.

3.0 THE LOAN SCHEME

3.1 Purposes for which a Loan may be applied for

To renovate an empty dwelling to the Decent Homes Standard (as a minimum), so that it is suitable for immediate occupation by the person(s) who have applied for the loan.

Person(s) applying for the loan may either be existing or prospective owners, but in either case must be able to supply security for the loan as detailed in Section 5.0

3.2 ELIGIBLE WORKS

To be eligible works, the works must: -

- On completion, result in the property being suitable for immediate occupation as a dwelling;
- Comply with all relevant Planning and Building Regulations; and
- Achieve the Decent Homes Standard - see Appendix D.

A schedule of works will be agreed with the applicant prior to the offer of any loan and will form part of the loan conditions.

Any costs, which would be eligible for assistance under an insurance claim or third-party claim, will not attract loan assistance.

Works outside the curtilage of the property are not eligible for assistance unless they relate to the provision of essential services such as water, gas or electricity.

3.3 LOAN ENQUIRIES

Enquiries for a loan can be made either by:

- Telephone
- Post
- E Mail
- In person at the following offices (Please ensure that the named officer is available to see you so that you do not have an unnecessary journey):

Adrian Fibbens, Empty Property Officer
Thanet District Council, 9 Cecil Square, Margate, Kent, CT9 1XZ

Tel: 01843 577934 / Email: adrian.fibbens@thanet.gov.uk

Jake Body, Project Officer
Kent County Council, 2nd Floor Invicta House, Maidstone, Kent, ME14 1XX

Tel: 03000 417442 / Email: jake.body@kent.gov.uk

Tom Davies, Principal Project Officer
Kent County Council, 2nd Floor Invicta House, Maidstone, Kent, ME14 1XX

Tel: 03000 418809 / Email: tom.davies@kent.gov.uk

Steve Grimshaw, Programme Manager
Kent County Council, 2nd Floor Invicta House, Maidstone, Kent, ME14 1XX

Tel: 03000 417084 / Email: steve.grimshaw@kent.gov.uk

All enquiries for a loan will be acknowledged by letter and then subsequently dealt with in accordance with the Kent Empty Property Initiative's standards for empty property loans. A copy of the service standards is attached in Appendix B.

3.4 BUILDINGS NOT ATTRACTING LOAN ASSISTANCE

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.
- Where renovation is not considered appropriate, i.e. beyond economical repair.

4.0 THE APPLICATION

An application for loan assistance should be made on the forms provided through the “Owner Occupier Loan” Empty Property Initiative. An application form has been included with this pack and further copies are available on request. A complete application should include the following: -

- A completed application form.
- Confirmation of ownership of the property. This should normally be an “office copy” Title Register and Title Plan provided by the Land Registry, www.landregistry.gov.uk
- Two itemised estimates including cost of any associated fees e.g. structural engineer’s fees, or project management fees.
- Supporting documentation for ID purposes.
- If you are an individual, you must provide your latest P60 and 2 payslips.
- If self-employed, you must provide 3 years accounts.
- Valuation Report (undertaken by a member of the Royal Institute of Chartered Surveyors - RICS).
- Specialist reports, Building Regulations, Planning Permission and plans where required.
- Any other details notified to the applicant before a decision is made as to whether to make the applicant a loan offer.
- Consent from first lender if there is an existing mortgage.
- If the property is leasehold, then we will require the freeholder’s consent allowing the works to be undertaken.

Thanet District Council or its acting Solicitors reserves the right to undertake a credit check on any person applying for a loan.

5.0 LOAN SECURITY

All loan applicants will be required to agree to a legal charge being placed on the property, which is the subject of the loan application. Agreement may be made in exceptional circumstances to accept a charge on an alternative property.

All legal charges must be either first or (where Thanet District Council receives confirmation from the first charge holder that it consents to a second charge) second charges. Third or subsequent charges will not be accepted.

Where it has been agreed to accept a legal charge on an alternative property that is not the subject of the loan application, the alternative property must be located in

England or Wales. However, the additional legal costs associated with this arrangement must be covered by the applicant.

Any property offered as security for the loan will require a valuation prior to the advance of any loan. The valuation must be carried out by a surveyor who is a member of the Royal Institute of Chartered Surveyors (RICS), the cost of which will vary in accordance with the property being put forward and is to be paid by the applicant.

The valuation should include the current value of the property in its present condition and the potential future value (if the property for security is the one being refurbished).

The Council will be unable to make a decision as to whether to approve an application without this valuation document.

Where the property, which is to be offered as security for the loan already has a charge registered against it, written confirmation from the existing charge holder, confirming their agreement to a further charge being placed on the property, will be required. (This is a Land Registry requirement).

6.0 LOAN RISK ASSESSMENT

All applications for a loan will be subject to a risk assessment that will form part of any decision to approve a loan. Details as to how this assessment will be undertaken are provided in Appendix C.

7.0 NOTIFICATION OF LOAN APPROVAL

The applicant will be notified in writing whether the application for assistance is approved or refused. The notification will be provided as soon as reasonably practicable from receipt of a completed application including all relevant supporting documentation and in any case within ten weeks.

The approval will specify the amount of loan and the repayment period. The offer of a loan will remain open for 8 weeks from the date of the notification letter.

The amount of loan will be based on the lower of the two estimates received. However, in any instance where the estimates are found to be excessive by Thanet District Council, the loan amount will be determined by Thanet District Council based on what it considers to be the reasonable costs for the schedule of works.

On confirmation that the loan offer has been accepted, an instruction will go to the Council's appointed Solicitors to draw up two sets of the Loan Facility Agreement and Legal Charge documents. The Programme Manager at Kent County Council will issue these to the applicant and advise TDC accordingly.

Both sets of documents must be completed and returned to the Programme Manager if the applicant wishes to proceed with the loan within 8 weeks from the date of the original notification letter.

On receipt of the completed documents the Council's appointed solicitor will apply to the Land Registry Office to register the legal charge against the property.

On confirmation that the Legal Charge(s) have been registered, the Strategic Programme Manager at Kent County Council will inform Thanet District Council, who in turn will instruct their Finance Section to forward the loan monies in accordance with any conditions which the loan approval panel have stipulated and recorded in the Loan Facility Agreement document. One original set of the Loan Facility Agreement and Legal Charge documents will be returned to the applicant for their records.

This is expected to be no more than 14 days after the registration of the Legal Charge(s).

Please note that the loan must be paid to the loan applicant's bank account as specified in their application form. Payments will not be made to any Third Party.

A loan offer will expire 8 weeks after the loan approval notification letter has been issued. If after this time the Council has not received the relevant documentation, the loan offer will be cancelled, and the applicant informed in writing.

In the case where an applicant ceases to be the owner of the property which is the subject of the loan application or it appears to Thanet District Council that the applicant was not at the time of the application being approved entitled to the loan, no payment shall be made, and the loan will be cancelled.

Loans are not transferable either between applicants or properties.

8.0 AMOUNT OF ASSISTANCE

A maximum loan of up to £25,000 can be applied for.

This amount is inclusive of all costs including value-added tax and fees.

If the cost of the works are in excess of the loan amount requested, then the applicant will be required to provide evidence that they have the balance of funds available in order to carry out the project.

For example:

£27,000	Cost of Works
£25,000	Amount of TDC Loan assistance
(£2,000)	Evidence of funds available (bank statement)

9.0 SUPERVISION OF WORKS

The building contract will be between the applicant and the chosen contractor and will not include Thanet District Council. An officer from Thanet District Council or an agent acting on its behalf will check the works to ensure they are carried out in accordance

with the specification of work and meets the requirements of the Decent Homes Standard and good building practice. However, Thanet District Council or its officers or its agents acting on its behalf are **not** liable for any poor workmanship nor do they provide any guarantee.

Where appropriate, it is recommended applicants employ their own surveyor whose fees are eligible for loan assistance, subject to the loan maximum. Responsibility for supervision of the works rests with the applicant. Any works that have not been completed to an acceptable standard will be the responsibility of the applicant.

On completion of the works the applicant is to provide notification to Thanet District Council/or its agent that: -

- The works have been completed to a satisfactory standard and in accordance with the loan offer and estimates, current Building Regulations and in accordance with the specification of works issued.
- Copies of certified guarantees and test certificates requested as part of the agreed schedule of works are made available for inspection: i.e. electrical and gas commissioning certificates.
- The repair and renovation of the property complies with the “Decent Homes Standard”.

10.0 APPEALS AGAINST REFUSAL OF LOAN

Where an application for a loan is refused the applicant will be notified of the reasons for refusal in writing and informed of the procedure for an appeal against the decision.

If an applicant disagrees with the reasons for refusal, an appeal may be made in writing to the Programme Manager stating the reasons why the applicant disagrees. This appeal should be made within 14 days of receipt of the refusal letter.

The applicant will be notified, in writing and within 14 days, of the decision.

If the Head of Service does not allow the appeal, an applicant can make a further appeal within 14 days to a Loans Appeal Panel. The Loans Appeal Panel will sit within 28 days of this second appeal being lodged. An applicant may attend the Loans Appeal Panel to present their case.

The Loans Appeal Panel will inform the applicant in writing within seven days of their decision.

There is no further appeal and the decision is final.

11.0 MONTHLY REPAYMENT OF THE LOAN

All loans approved and paid under this scheme will be repayable to Thanet District Council on a monthly basis. There are some examples at the end of this section.

Monthly Payments

The monthly repayment sum will be calculated by Thanet District Council and must be repaid in accordance with the conditions as stated in the Loan Facility Agreement document. This will be collected by Standing Order.

For example:

The Borrower agrees to repay the Loan by the Repayment Date by Monthly Payments payable to the Council on the [agreed] day of the month ("the Monthly Repayments") unless: -

- There is a Disposal of the Property prior to the Repayment Date, in which case the Borrower agrees to repay the balance of the Loan on the date of such Disposal;

Or

- An event of default as set out at Clause 12.1 of the Loan Facility Agreement occurs before the date on which the Loan is due to have been repaid in full, in which case the Borrower agrees to repay the Balance of the Loan immediately.

Any increases in the monthly repayments will be advised to the Borrower in writing by the Council.

The Borrower may prepay the Loan or any part of the Loan at any time. No amount prepaid may be redrawn.

The final repayment date will be included in the Loan Facility Agreement. Providing the capital sum borrowed is repaid in full and by the agreed date, no interest shall be charged.

However, if the monthly repayment is not received by the agreed date, Thanet District Council reserves the right to apply interest. This will be 4% interest above the base rate.

Example 1

The maximum loan of £25,000 has been awarded over the maximum loan period of 10 years. The loan will be paid in two equal instalments of £12,500.

The first payment will be made on registration of a Legal Charge over the property offered as security of loan.

Loan Approved £ 25,000

First Payment to the applicant of £12,500 is made 25th April 2026

1st Loan Repayment is due 25th May 2026 of £167.46, followed by 119 equal monthly payments of £166.66 which repays the Loan Approved in full.

LOAN VALUE	5 YEARS	7 YEARS	10 YEARS
£ 5,000	£ 83.33	£ 59.52	N/A
£ 7,500	£ 125.00	£ 89.29	N/A
£ 10,000	£ 166.67	£ 119.05	£ 83.34
£ 12,500	£ 208.33	£ 148.81	£ 104.17
£ 15,000	£ 250.00	£ 178.57	£ 125.00
£ 17,500	£ 291.67	£ 208.33	£ 145.83
£ 20,000	£ 333.33	£ 238.10	£ 166.67
£ 25,000	£ 416.66	£ 297.61	£ 208.33

The second payment to the applicant will be made, subject to sufficient proof of expenditure of the first £12,500 being evidenced and in accordance with the loan agreement. This will also include a site inspection before the further funds are released.

On confirmation of the final loan repayment being made the Council will remove the charge on the property and no interest will be applied.

Example 2

A loan of £5,000 has been awarded over a loan period of 5 years.

The loan will be paid in one lump sum.

Payment to the applicant of £5,000 is made 25th April 2026

1st Loan Repayment is due 25th May 2026 of £83.53 followed by 59 equal monthly payments of £83.33, which repays the Loan Approved in full.

This table shows the monthly repayments required

LOAN VALUE	5 YEARS	7 YEARS
£ 5,000	£ 83.33	£ 59.52
£ 7,500	£ 125.00	£ 89.29
£ 10,000	£ 166.67	£ 119.05
£ 12,500	£ 208.33	£ 148.81
£ 15,000	£ 250.00	£ 178.57
£ 17,500	£ 291.67	£ 208.33
£ 20,000	£ 333.33	£ 238.10
£ 25,000	£ 416.66	£ 297.61

On confirmation of the final loan repayment being made the Council will remove the charge on the property and no interest will be applied.

If the same loan was awarded over 7 years, then the monthly sum is £59.52

12.0 LOAN INTEREST

The applicant will benefit from an interest free loan, providing there is no default on the loan.

Where any sum is required to be paid but is not repaid in accordance with the loan conditions, a breach of conditions will have occurred, and Thanet District Council may will apply an interest rate of 4% above the base borrowing rate and at their discretion demand immediate repayment of the loan.

13.0 REPAYMENT UPON BREACH OF CONDITIONS

In the case of a breach of loan conditions any outstanding loan becomes immediately repayable to Thanet District Council.

APPENDIX A**“Owner Occupier Loan” Empty Property Initiative – Contact Details**

- **Thanet District Council:**

Adrian Fibbens, Empty Property Officer
Thanet District Council, 9 Cecil Square, Margate, Kent, CT9 1XZ

Tel: 01843 577934 / Email: adrian.fibbens@thanet.gov.uk

- **Kent County Council:**

Jake Body, Project Officer
Kent County Council, 2nd Floor Invicta House, Maidstone, Kent, ME14 1XX

Tel: 03000 417442 / Email: jake.body@kent.gov.uk

Tom Davies, Principal Project Officer
Kent County Council, 2nd Floor Invicta House, Maidstone, Kent, ME14 1XX

Tel: 03000 418809 / Email: tom.davies@kent.gov.uk

Steve Grimshaw, Strategic Programme Manager
Kent County Council, 2nd Floor Invicta House, Maidstone, Kent, ME14 1XX

Tel: 03000 417084 / Email: steve.grimshaw@kent.gov.uk

APPENDIX B**Service Standards for Loans Procedure**

These standards have been produced to:

Inform our customers of the standards and level of service they can expect from us.

Ensure all enquiries/applications are dealt with on an equal basis.

Service Standards and Procedure

On receipt of an enquiry within 2 weeks, a loan enquiry acknowledgement letter will be sent to the prospective loan applicant including a loan application pack which will include information on the Initiative, an application form, draft Loan Facility Agreement, and draft Loan Charge document.

An inspection of the property will be undertaken within six weeks.

On receipt of a full complete loan application i.e. application form and all further documentation listed in Section 4 above, subject to these being satisfactory, the applicant will receive within 10 weeks notification of a loan offer or refusal.

If a loan offer is accepted, payment of the loan monies will be sent out within fourteen working days of the Councils appointed Solicitor confirming that the Legal Charge(s) have been registered.

Thanet District Council will write to you 12 weeks before a loan is due to be repaid to ensure that you have made the necessary arrangements to repay Thanet District Council the loan in full.

APPENDIX C

Risk Assessment Procedure for Empty Property Loans (V1-MAR 2017)

Whenever monies are loaned there will be an element of both financial risk in that the loan is not repaid, and risk that should the delivery of the project not be completed it would fail to contribute towards the annual targets set for the Empty Property initiative.

To ensure that these risks are minimised the following risk assessment procedure has been devised, against which each scheme will be evaluated to determine the level of risk (high, medium or low). Any project which scores 50 points or more will not be considered appropriate for a loan from Thanet District Council.

The empty property team would welcome the opportunity to discuss any proposed application with empty property owners/developers, but no commitment to approve an application or commit funding will be given until a completed application has been received and subjected to the following risk assessment procedure.

All applications will be initially vetted by the relevant District Empty Property Officer. This will be to confirm: -

- That the property has been empty for six months or more;
- That the works/conversion can be completed within a time scale to satisfy the Initiative's target; and
- Approvals and/or consents (if any) required to undertake the works/conversion are held.

Delivery Risk

To minimise the delivery risk all applicants for loans will be required to satisfy the following criteria before their application will be considered. Documentary proof that the following criteria have been met should be submitted with the application form.

1. The property that is subject to the loan application has been acquired/already in the ownership of, the applicant.
2. All required consents for the works/conversion have been approved; these will include full planning permission, building regulation approval, listed building and conservation area consent, where applicable.
3. Confirmation that there are no legal constraints or restrictive covenants on the property that would prevent the proposed works/conversion from being undertaken.
4. Any requirement for a contaminated land investigation has been undertaken, and where any remediation works are required, these have been agreed with the relevant District contaminated land officer.

5. Confirmation that any additional finance over and above the Thanet District Council loan required to complete the project is readily available and evidenced accordingly.

Once the above criteria have been satisfied the application will be assessed against the following financial risk assessment, which is based on the business case details supplied on the application form, to determine if the application should be approved.

Each of the questions listed below will be assigned a score and these individual scores will be totalled to give an overall score, which will then place the application in either a high, medium or low category.

Risk category	Points
Low	up to 20 points
Medium	between 21 and 35 points
High	between 36 and 49 points

Any project which scores 50 points or more will not be considered appropriate for a loan from Thanet District Council.

Risk	Score
1a. Credit rating? All persons/companies submitting an application will be subject to an insolvency check, which will be undertaken by TDC/KCC.	
Satisfactory check	0
Unsatisfactory check	50
1b. Does the applicant have sufficient income to service the loan based on the affordability criteria?	
Satisfactory check	0
Unsatisfactory check	50

Comments

2. Summary of Works

The applicant supplied a satisfactory summary of works, supported with quotations to demonstrate that the proposed costs are financially viable. 0

The applicant 's summary of works does not demonstrate that the proposed empty property scheme is financially viable. 50

Comments

3. Loan amount being applied for?

- Between £1 and £5,000 1
- Between £5,001 and £10,000 3
- Between £10,001 and £15,000 5
- Between £15,001 and £25,000 (maximum) 10

Comments

4. Loan(s) to property value percentage?

- The proposed loan amount and any existing loan/mortgage on the property does not exceed 50% of the property value. 1
- The proposed loan amount and any existing loan/mortgage on the property is between 51% and 70% of the property value. 3
5
- The proposed loan amount and any existing loan/mortgage on the property is between 71% and 80% of the property value.
- The proposed loan amount and any existing loan/mortgage on the property is between 81% and 90% of the property value. 10
- The proposed loan amount and any existing loan/mortgage on the property exceeds 91% if the property value. 50

Comments

5. Proposed term of loan

- Up to 3 years 1
- Up to 4 years 3
- Up to 5 years 5
- Up to but no more than 10 years 7

Comments**6. Application From**

- Individual 5
- Joint Owners 10

Comments**7. Existing Mortgage/Charges.** All loans are secured as a first or second charge on the properties identified as security of loan.

- 1st Charge in favour of Thanet District Council 5
- 2nd Charge in favour of Thanet District Council 10

Comments**Total Points**

Score Risk (Circle): HIGH – MEDIUM - LOW

Risk Assessment carried out by _____

(sign & print name)

Position _____ (insert)

Date _____ (insert):

Appendix D

The Decent Homes Standard

To achieve the Decent Homes Standard, a dwelling must comply with the following four criteria.

Criterion a: It meets the current statutory minimum standard for housing

To be decent, a dwelling should be free of category 1 hazards as assessed through the Housing Health and Safety Rating System.

Criterion b: It is in a reasonable state of repair

A dwelling satisfies this criterion unless:

- one or more key building components are old and, because of their condition need replacing or major repair; or
- two or more other building components are old and, because of their condition need replacing or major repair.

A building component can only fail to satisfy this criterion by being old and requiring replacing or repair. A component cannot fail this criterion based on age alone.

Building components

Building components are the structural parts of a dwelling (e.g. wall structure, roof structure), other external elements (e.g. roof covering, chimneys) and internal services and amenities (e.g. kitchens, heating systems).

Key building components are those which, if in poor condition, could have an immediate impact on the integrity of the building and cause further deterioration in other components.

They are the external components plus internal components that have potential safety implications and include:

- external walls;
- roof structure and covering;
- windows/doors;
- chimneys;
- central heating boilers;
- gas fires;
- storage heaters;
- plumbing; and
- electrics.

Lifts are not considered to be a key component unless the lift or the lift shafts have a direct effect upon the integrity of the building.

If any of these components are old and need replacing, or require immediate major repair, then the dwelling is not in a reasonable state of repair.

Other building components are those that have a less immediate impact on the integrity of the dwelling. Their combined effect must therefore be considered, with a dwelling not being in a reasonable state of repair if two or more are old and need replacing or require immediate major repair.

Old and in poor condition

A component is defined as 'old' if it is older than its standard lifetime. Components are in poor condition if they need major work, either full replacement or major repair.

One or more key components, or two or more other components, must be both old and in poor condition to render the dwelling non-decent on grounds of disrepair. Components that are old but in good condition or in poor condition but not old would not, in themselves, cause the dwelling to fail the standard.

A building component, which requires replacing before it reaches its expected lifetime has failed early. Under the terms of the definition, this early failure does not render the dwelling non-decent.

Criterion c: It has reasonably modern facilities and services

A dwelling is considered not to meet this criterion if it lacks three or more of the following facilities:

- a kitchen which is 20 years old or less;
- a kitchen with adequate space and layout;
- a bathroom which is 30 years old or less;
- an appropriately located bathroom and WC;
- adequate external noise insulation; and
- adequate size and layout of common entrance areas for blocks of flats.

A kitchen failing on adequate space and layout would be one that was too small to contain all the required items (sink, cupboards cooker space, worktops etc) appropriate to the size of the dwelling;

An inappropriately located bathroom and WC is one where the main bathroom or WC is located in a bedroom or accessed through a bedroom (unless the bedroom is not used, or the dwelling is for a single person). A dwelling would also fail if the main WC is external or located on a different floor to the nearest wash hand basin, or if a WC without a wash hand basin opens on to a kitchen in an inappropriate area, for example next to the food preparation area;

Inadequate insulation from external airborne noise would be where there are problems with, for example, traffic (rail, road and aeroplanes) or factory noise.

Inadequate size and layout of common entrance areas for blocks of flats would be one with insufficient room to manoeuvre easily for example where there are narrow access ways with awkward corners and turnings, steep staircases, inadequate landings, absence of handrails, low headroom etc.

In some instances, there may be factors which may make the improvements required to meet the Decent Homes standards' challenging, or impossible, factors such as physical or planning restrictions. Where such limiting factors occur, the property should be assessed to determine the most satisfactory course of action in consultation with the relevant body or agency so as to determine the best solution. The outcome may determine that some improvements may be possible even if all are not.

A dwelling would not fail this criterion, where it is impossible to make the required improvements to components for physical or planning reasons.

Criterion d: It provides a reasonable degree of thermal comfort

The definition requires a dwelling to have both efficient heating; and effective insulation.

Efficient heating is defined as any gas or oil programmable central heating; or

- electric storage heaters; or
- warm air systems; or
- underfloor systems; or
- programmable LPG/solid fuel central heating; or
- similarly, efficient heating systems which are developed in the future.

The primary heating system must have a distribution system sufficient to provide heat to two or more rooms of the home. There may be storage heaters in two or more rooms, or other heaters that use the same fuel in two or more rooms. Even if the central heating system covers most of the house making a dwelling decent, under the HHSRS the home should be warm enough for the occupant.

Heating sources, which provide less energy efficient options, fail the Decent Homes standard.

Programmable heating is where the timing and the temperature of the heating can be controlled by the occupants.

Because of the differences in efficiency between gas/oil heating systems and the other heating systems listed, the level of insulation that is appropriate also differs:

For dwellings with gas/oil programmable heating, cavity wall insulation (if there are cavity walls that can be insulated effectively) and at least 50mm loft insulation (if there is loft space) is an effective package of insulation.

For dwellings heated by electric storage heaters/LPG/programmable solid fuel central heating a higher specification of insulation is required: at least 200mm of loft insulation (if there is a loft) and cavity wall insulation (if there are cavity walls that can be insulated effectively).

An SAP rating of less than 35 (using the 2001 SAP methodology) has been established as a proxy for the likely presence of a Category 1 hazard from excess cold.