



Government Circular No. 29/05

Department of Local Government and the Environment

HOUSE IMPROVEMENT AND ENERGY CONSERVATION SCHEME 2005

Approved by Tynwald 20th October 2005

A Scheme made by the Department of Local Government and the Environment to provide grant assistance towards the cost of improving residential property.

1. Citation, commencement and termination

(1) This Scheme may be cited as the House Improvement and Energy Conservation Scheme 2005 and shall, subject to the approval of Tynwald, come into operation on the 1st November 2005.

(2) This Scheme shall terminate on the 31st October 2010, without prejudice to the payment thereafter of any grant approved prior to that date.

2. Interpretation

(1) In this Scheme -

"approved" means approved by the Department;

"approved contractor" means a contractor on the Department of Trade and Industry List of Approved Contractors or a craftsman on the Register of Craftsmen;

"approved works" means works set out in the Schedules to this Scheme, excluding decoration and works of ordinary repair;

"bathroom" means a dedicated room containing a WC, wash hand basin and bath or shower;

"the Department" means the Department of Local Government and the Environment;

"eligible applicant" means a person applying for assistance under this Scheme who is eligible by virtue of paragraph 4; "flat" has the same

meaning as in the Housing (Miscellaneous Provisions) Act 1976¹;

"grounds of special need" means such grounds preventing the applicants from undertaking the approved works as the Department may in any particular case approve;

"housing association" has the meaning given by section 11 of the Housing (Miscellaneous Provisions) Act 1976²;

"housing trust" means a corporation or body of persons which -

(a) is required by its constituent instrument to use the whole of its funds, including any surplus which may arise from its operations, for the purpose of providing housing accommodation; or

(b) is required by the terms of its constituent instrument to devote the whole, or substantially the whole, of its funds to charitable purposes and in fact uses the whole, or substantially the whole, of its funds for the purpose of providing housing accommodation;

"permanently resident children" in relation to any premises, means children whose only or main residence is, and will remain, the premises;

"relevant structure" means the roof over the roof space and the ceiling below it and the material provided in the roof space;

"residential premises" means -

(a) any building used wholly or mainly as a domestic dwelling;

(b) any tourist premises registered under the Tourist (General) Regulations 1991³ as containing not more than six bedrooms provided for the accommodation of tourists;

but shall not include a flat with the exception of Schedule 1 Part II (9) and Schedule 2 Part II (3);

"roof space" means the space between the roof of a dwelling and the ceiling of any room which is used or available for use for the purpose of living accommodation and which is not wholly separated from the roof by any other room;

"U-value" means the thermal resistance of the insulation material used;

"taxable income" means the income, having regard to income tax allowances but having no regard to any covenants, which the Assessor of Income Tax confirms is subject to income tax.

(2) The Interpretation Act 1976⁴ shall apply to this Scheme as it applies to an Act of Tynwald.

¹ 1976 c.12

² 1976 c.1

³ GC377/91

⁴ 1976 c.20

3. Eligible Premises

- (1) This Scheme shall apply as follows:-
 - (i) for the purpose of works within Schedule 1, part I, to residential premises erected on or before the 31st December 1959;
 - (ii) for the purpose of works within Schedule 1, part II or Schedules 2 or 3, to residential premises of any age.
- (2) This Scheme shall not apply to:-
 - (a) premises owned by a Department, local authority, Statutory Board, housing association or housing trust;
 - (b) housing accommodation specially designed or adapted for occupation by elderly persons;
 - (c) a residential care home within the meaning of the Nursing and Residential Homes Act 1988⁵.

4. Eligible Applicants

- (1) The applicant must -
 - (a) be both the occupier of the premises and the owner of the freehold interest in the premises or of a leasehold interest in the premises of which not less than 7 years remain unexpired; or
 - (b) have entered into a contractual obligation to purchase the premises and be the occupier within the time limit in 8(3), in which case the grant will not be approved until the purchase is complete.
- (2) For works included in Schedules 1 and 3 the taxable income of the applicant, together with the taxable income of the applicant's spouse or partner, must not exceed £15,000 per annum, or such other amount as the Department may determine, for the fiscal year preceding that in which the application is submitted.
- (3) For works included in Schedule 3 it must be the opinion of the Department that the existing accommodation is considered inadequate having regard to the age and sex of permanently resident dependent children, and of the length of time the property has been so occupied.
- (4) No monies may be offered to anyone who is in arrears in respect of Income Tax and National Insurance Contributions.

5. Grant Assistance

- (1) The Department may give to an eligible applicant financial assistance by way of a grant towards the cost of approved works, excluding VAT, carried out by approved contractors on eligible premises, being works set out in the Schedules to this Scheme, excluding decoration and works of ordinary repair
- (2) No assistance may be given in respect of works costing less than £1,000, excluding VAT, except for works in Schedule 2

⁵ 1988 c.9

(3) Subject to (4), (5), (6) and (7) below the grant shall not normally exceed 50 per centum of the actual cost of the approved works, excluding VAT.

(4) (a) For works in Schedule 1, Part I (2)(b) the grant shall be a standard grant of £250 (or such other sum as may be determined by the Department with the approval of the Treasury);

(b) For works in Schedule 1, Part I (6) the grant shall be 50 per centum of the actual cost of the approved works, excluding VAT to a maximum of £750.

(5) For works in Part II of Schedule 2 the grant shall be a standard grant of £250 (or such other sum as may be determined by the Department with the approval of Treasury).

(6) For works in Part III of Schedule 2 the grant shall be 75 per centum of the cost of approved materials up to a maximum of £250.

(7) For properties formally certified as 'Unfit Properties' by the Department; for works under Schedule 1 the Department will make a grant of 75 per centum of the actual costs of the approved works, excluding VAT.

(8) For works included in Schedule 1 the grant may include up to 50 per centum of approved professional fees incurred in connection with the approved works or the investigation of the condition of the property.

(9) Total grants under this Scheme and any other schemes for the improvement of property operated by the Department currently or previously shall not exceed £25,000 in respect of each eligible premises.

(10) Where the total grant assistance provided by this Department exceeds £5,000, the Department shall make a grant subject to the condition that the property is charged to the Department to secure repayment of the grant or such part thereof as the Department determines, in accordance with the following: -

(a) more than £5,000 but less than £10,000 – 7 Years

(b) more than £10,000 but less than £15,000 – 10 Years

(c) £15,000 or more – 15 Years

(11) In the case of an application on the grounds of special need the Department may offer up to 100 per centum of the cost of the approved works where the Department so determines on the condition that the whole grant is charged to the Department in the manner stated in paragraph 5(10).

(12) The total amount of grant repayable in the event of the property being disposed of will be based on a sliding scale amortising over the relevant period of the charge.

6. Applications

(1) Application for a grant must be made in writing in a form approved by the Department

(2) The applicant must forward to the Department the completed application form together with all such documents, plans and specifications as the Department may

require to be submitted therewith including the following:-

- (i) subject to (ii) and (iii) below, at least two competitive estimates from approved contractors;
- (ii) for works within Schedule 1, item 6, a certificate by an approved contractor that the whole or a substantial part of the electrical system is unsafe or that there is no permanent supply, and one estimate from an approved contractor.
- (iii) for works within Schedule 2, Part II and III, one estimate for materials only.

(3) The applicant must provide to the Department copies of all relevant approvals under planning or the Building Regulations as are required to be obtained in respect of the proposed works.

(4) The applicant must give to the Department authorisation to approach the Treasury for verification of income and any Income Tax liabilities.

(5) The applicant must give to the Department such other information as it may require.

(6) An application will be deemed to have been made only when all of the information required by the Department has been provided.

7. Consideration of Applications

(1) The Department shall consider every application and shall inform the applicant whether or not the application is approved.

(2) Any grant shall be subject to any terms or conditions which the Department may in any particular case decide to impose.

(3) The Department in its discretion may refuse any application or impose any terms and conditions upon any approval.

(4) The approval of the Department of an application shall be conditional upon the correctness of the information supplied therein.

(5) No works which are the subject of a grant application shall commence before written confirmation of approval of the grant has been provided to the applicant.

8. Provisions Relating to the Payment of Grants

(1) Before authorising the payment of any grant the Department shall require the applicant to submit to the Department such documents as it may require.

(2) The Department shall, if it approves the application, forward to the applicant an approval notice stating that the work may commence.

(3) Subject to paragraph (4) below all approved works must be completed within six months from the date of the approval notice or such further period as the Department may in any particular case allow.

(4) All approved works under Schedule 3 must be completed within 12

months from the date of the approval notice or such further period as the Department may in any particular case allow.

(5) The Department may, at its own discretion, carry out any necessary inspections of the property and of any work in progress or completed under this Scheme.

(6) The Department shall have the right to refuse or withhold the grant in any case where in the opinion of the Department the work has not been carried out satisfactorily.

(7) The Department may waive any one or more of the requirements contained in this Scheme in any case where it considers it appropriate.

(8) Where alternative Government grants (such as Conservation funding) have been obtained in respect of the works, grants under this Scheme shall not be payable in addition.

(9) The approval or payment of a grant under this Scheme shall not be deemed to imply compliance with any other statutory provision.

(10) The approval or payment of a grant under this Scheme shall be subject to the Department's annual budgetary limitations.

SCHEDULE 1

Works subject to an assessment of income under paragraph 4(2)

PART I

- 1) The provision of adequate drainage;
- 2) (a) Replacement of windows with double glazed units in UPVC, aluminium, hardwood, or treated soft wood, where frames are in disrepair or where replacement is necessary to correct inadequate natural lighting or ventilation;
(b) Replacement of external doors with double glazed units where replacement is necessary to improve draught proofing.
- 3) Works of a substantial nature going beyond normal maintenance required to render a roof safe and weatherproof;
- 4) External re-rendering going beyond normal maintenance required to render external walls weatherproof;
- 5) Cavity wall insulation.
- 6) The abatement of rising damp.
- 7) Such other works, as the Department may, in any particular case, allow.

PART II

- 8) The installation or extension of supplies of light and power, all such works to include the provision of at least one mains powered smoke detector installed to and as defined in B.S 5446;
- 9) Installation of gas or oil fired central heating system for the first time subject to conditions:
 - (i) Boiler must be SEBDUK rated A for gas, or A or B for oil;
 - (ii) the installation must have electronic controls and thermostatic radiator valves; and
 - (iii) include roof space insulation and lagging upgrade, where necessary.
- 10) Such other works, as the Department may, in any particular case, allow.

SCHEDULE 2.

Works which are not subject to an assessment of income

PART I

- 1) The provision of an adequate and potable water supply which may include connection to a mains water supply;
- 2) The replacement of a plumbing system where the water pipes and/or cold water storage tank are made of lead, including connection to the mains;

PART II

- 3) Replacement of a central heating boiler with an energy efficient condensing boiler SEBDUK rated A for gas, or A or B for oil.

PART III

- 4)
 - (a) the provision in the roof space of an approved material which will, when provided, give for the relevant structure, a U-value of not less than $0.25\text{W/m}^2\text{k}$ (referred to in this Scheme as "the principal insulation works");
 - (b) where there is no means of access to any roof space for the purpose of carrying out the principal insulation works, the provision of sufficient means of access for such purpose;
 - (c) the insulation, in any roof space, of any cold water tank and any water supply pipes;
 - (d) the provision for any hot water tank or cylinder which is not already insulated to the recommended level, of a jacket conforming to British Standard Specification 5615:1985, or, if there is insufficient space for such a jacket of such other means of insulation as may be approved by the Department.
 - (e) Draught proofing to external doors and windows.

SCHEDULE 3

Works subject to an assessment of income under paragraph 4(2)

1. The provision of additional bedroom space of 10m² either by the creation of a new bedroom or by the extension / conversion of an existing space provided that the total number of bedrooms on completion of the works does not exceed four.
2. In association with the above, the provision of an additional bathroom of 4m² (including the provision of all plumbing and drainage but excluding the provision of the bathroom suite) where the property will on completion of the additional bedroom, consist of four bedrooms and only one bathroom.

Made 19th September 2005

John Rimington
Minister for Local Government and the Environment

EXPLANATORY NOTE

(This note is not part of the Scheme)

The Scheme enables the Department of Local Government and the Environment to make grants towards works of improvement and increased energy efficiency in residential properties and to provide additional bedroom space and bathroom facilities where a property is overcrowded.

Certain works of repair are only applicable to houses built before 1960 although works affecting health and safety, energy efficiency and the provision of an additional bedroom with or without a bathroom are applicable to houses of all ages.

Most grants can be made up to 50 per cent of approved works, however those for certain energy efficiency works are based on a fixed amount for each item.

Eligibility for certain works will be based on an assessment of income apart from the energy efficiency works and works to provide a supply of potable water.

The total grant or grants approved in respect of any property cannot exceed £25,000.

The Scheme specifies in its Schedules the types of works that can be approved.