

 Executive – 10th June 2009		Agenda Item No.
Title	Cancellation and Recovery of Renovation Grant -7a Clemens Street, Leamington Spa	
For further information about this report please contact	Paul Hughes, Chartered Environmental Health Practitioner Tel:01926 456729; E Mail: paul.hughes@warwickdc.gov.uk	
Service Area	Housing Strategy	
Wards of the District directly affected	Brunswick	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	Not previously considered	
Background Papers	Grant approval notice 2 no. undertaking forms	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	Yes
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Relevant Director		
Chief Executive	27.5.09	
CMT	27.5.09	
Section 151 Officer		
Legal	7.4.09	Peter Oliver
Finance	23.4.09	Mike Snow
Portfolio Holder(s)		
Consultation Undertaken		
Please insert details of any consultation undertaken with regard to this report.		
Legal Services 30 th January 2009		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

1. SUMMARY

- 1.1 A landlord's renovation grant was awarded to bring 7a Clemens Street, Leamington Spa into a habitable condition in 2004. Despite numerous reminders, the owner has failed to complete the work to the Council's satisfaction in well over 4 years.

2. RECOMMENDATION

- 2.1 It is recommended that renovation grant number W045M/O/0099 be cancelled, and the grant paid to date be recovered in full together with compound interest, in accordance with the standard grant conditions attached to the grant approval notice.

3. REASONS FOR THE RECOMMENDATION

- 3.1 Work was started in 2005, and progressed well resulting in almost 90% of the grant being paid. However, certain works, notably to obtain Building Regulations approval and completion were not obtained. As time moved on, it became apparent that the applicant was not interested in completing the work to the Council's satisfaction and claiming the remaining 10% of the grant, since the flat was being let out and a steady source of income was being derived.
- 3.2 The Council is seeking to cancel and recover the renovation grant because the owner has continually failed, despite many reminders, to complete the works over a period of almost four and a half years. The details of this are set out in Section 7.

4. ALTERNATIVE OPTION CONSIDERED

- 4.1 The alternative options available to the Council are as follows:-
- a) pay the grant outstanding (£1220.87)
 - b) cancel the grant
- 4.2 It would not be appropriate to pay the grant outstanding when there are works which have not been completed and the Building Control Officer has not issued a Completion Certificate.
- 4.3 The grant could simply be cancelled and no further payments made. However, the applicant has signed standard undertakings regarding repayment of grant if works were not completed to the Council's satisfaction.

5. BUDGETARY FRAMEWORK

- 5.1 The current grant allocation for Discretionary Renovation Grants for 2009/10 is £50,000. The proposed recovery of this grant, £9,800, once repaid, would be recycled back to the existing budget, increasing it to £59,800. Interest to date of £1,900 would also be charged. If recovered, this would be added to the 'External Interest Balance' to be used for 'other' General Fund purposes.
- 5.2 The Council would seek to recover the grant and interest in the normal manner through the debt recovery process. Should this be unsuccessful, the Council would

seek to recover the grant whenever the property is sold since the grant was registered as a local land charge at the time of approval.

6. POLICY FRAMEWORK

- 6.1 It is policy to allow 12 months for the completion of works. In exceptional circumstances the Council would extend this period. However, in this case, it appears that the applicant has simply been uncooperative, unresponsive and at times obstructive.

7.0 BACKGROUND

- 7.1 A grant of £11,041.13 was approved in November 2004. Grant conditions stated 'the Council may require as a condition of grant that the eligible works are carried out in accordance with any specification they decide to impose' and 'it is a condition of grant that the eligible works are carried out within 12 months from the date of approval of the application. This period may however be extended by the Council if they think fit, particularly where they are satisfied that the eligible works cannot be or could not have been carried out without carrying out other works which could not have been reasonably foreseen when the application was made.'
- 7.2 The work was started and progressed through 2005 and 2 instalments totalling £9820.26 were paid to the applicant. Each request for payment was accompanied by an undertaking signed by the applicant, to carry out the remainder of the work within 12 months of approval, i.e. 16th November 2005, failing which he undertook to repay grant paid to date plus interest.
- 7.3 In May 2006, the applicant requested that the balance outstanding on the grant be paid, however inspection revealed that the work was not satisfactorily completed. This was confirmed in writing and the applicant given 21 days to complete works.
- 7.4 No further request for final payment was made by the applicant, and in January 2007 a further letter was sent to him to advise that there were matters outstanding, and a further 28 days were given in which to complete the works.
- 7.5 A further letter was sent to the applicant in May 2008 again asking that outstanding matters be dealt with, and warning that failing which, the grant would be cancelled and payments already made would be recovered.
- 7.6 In July 2008, a complaint was received regarding the conditions within the flat, which was now let to a tenant. An inspection revealed that in addition to matters previously identified, a series of hazards were also present under the Housing Health and Safety Rating System. A letter was sent to the applicant giving a further warning about outstanding matters in connection with the renovation grant and highlighting a further list of hazards now requiring attention under the Housing Health and Safety Rating System. A written response was requested within 14 days. Instead, the applicant telephoned to assure that all matters would be resolved by 8th September 2008 at which time an inspection could take place. Inspection on this date revealed that matters had not been completed as anticipated.
- 7.7 In a telephone call to the applicant in November 2008, he advised that he thought work was finished, but he would inspect the flat, and would call back to confirm. No

telephone call was received and so a further letter was sent to him on 19th November proposing an inspection on 24th November 2008 to check on works.

- 7.8 On 24th November 2008, at 7 Clemens Street, a member of staff from the shop below the flat advised that the applicant had gone abroad on business and so it was not possible to carry out an inspection. Since there was a letting agent involved, a request was made to carry out an inspection with the agent. An e mail was received from the agent to confirm that the landlord preferred to be present for an inspection upon his return from business after 27 November 2008.
- 7.9 On 1st December 2008, a further letter was sent to the applicant requesting an inspection on 8th December, giving a further warning about the consequences of failing to complete works. the applicant replied by telephone to confirm he would not be available for the proposed date of inspection. He advised that he would call back with an alternative date once he had spoken to the Building Control Officer who was also required to approve certain works.
- 7.10 No further telephone call was received, so a message was left for the applicant on 8th January 2009.
- 7.11 Another letter was sent to the applicant on 12th January 2009 proposing an inspection on 20th January. At this time, the applicant was not present when the Council called to do the inspection. A member of staff in the shop was unaware of the visit and tried to call him on his mobile telephone but was unable to contact him. The name and telephone number of the Officer was left in the shop for the applicant to call back but no call was received.
- 7.12 Building Control (who were required to inspect certain works requiring Building Regulations approval) have confirmed that there has been no recent contact from the applicant, and their last inspection was in April 2005 and so no completion certificate for conversion to residential use has been issued.
- 7.13 Another letter was sent to the applicant on 4th February 2009, offering him the opportunity to call into the Council offices to explain why works were still outstanding, and also proposing a further date for inspection on 26th February 2009. There was no response to this letter.
- 7.14 At the shop on 26th February, 2 members of staff advised that the applicant was in Spain and would not return until the end of March.
- 7.15 A further attempt was made to gain access by contacting the letting agent. On 27th February at the agreed time, the letting agent failed to attend on site. Officers of the Council then proceeded to the letting agents' office. The agent apologised for failing to attend, not having been able to contact the tenant of the flat, and so was unable to arrange the inspection. The agent confirmed that the applicant was not in fact in Spain. He provided a mobile telephone number for the applicant.
- 7.16 A telephone message was left for the applicant to call on 2nd March. No reply was received.
- 7.17 On 3rd March 2009, a letter was sent to the occupier of the flat, requesting that they make contact with the Council to allow an inspection to take place. No response was received.

- 7.18 Consultations have been undertaken with Legal Services who have indicated that the Council are entitled to cancel the grant and recover monies paid with interest. This course of action is recommended since the applicant has not come forward with legitimate reason why the work has not been completed and has in fact wasted considerable officer time.