

The Stroud Target 2050 Loan

A simple ten step guide to help you apply...



The Stroud Target 2050 Loan

The Stroud Target 2050 Loan is a new initiative which offers you the opportunity to improve your home with energy efficiency measures and renewable technology installations.

So what is it?

The Stroud Target 2050 Loan has been set up by Stroud District Council (creditor) and Severn Wye Energy Agency (broker) specifically to help people to install energy efficiency measures in their home.

The loan allows you to spread the cost of the improvements over time – but to gain from the benefits straight away.

Do I qualify?

If you are a homeowner in the Stroud district, and you are living in the property as your main residence, you may be eligible.

Income and savings criteria will also apply:

1. Your combined household income must be less than £40,000.
2. You must have savings of less than £16,000 (or £18,000 if you're a pensioner).
3. The loan is subject to a credit check and survey.



The terms included in this booklet are subject to change. This booklet is intended to provide information on the loan and the loan process, and should not be considered as financial advice. It should not be seen as an alternative to reading the loan information you will receive from Stroud District Council.

It is important to ensure you can comfortably pay back any loan you take out. An affordability test will be carried out by the loan provider. You may also wish to seek advice from an independent financial advisor (or other relevant body or qualified person).

Severn Wye Energy Agency is registered with the Financial Conduct Authority (FCA) for credit brokerage and credit intermediaries. Reference number 650659. Severn Wye is an authorised credit broker working with a small number of loan providers.

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Here's a summary of important factors:

- The loan is for a minimum of £2,000 and a maximum of £10,000, including VAT and all charges.
- There is a fixed interest rate of 5% per annum. **Typical 8.9%APR**
- The term of the loan is for a minimum of three years and a maximum of five years.
- The scheme is facilitated by Severn Wye, a local sustainable energy charity. A 5% charge (plus VAT) on the total cost of the works will be payable to Severn Wye to cover project management costs.

- The council will charge a credit check and Land Registry search fee of £29 on all loans. If the loan value exceeds £7,500 the council will charge a Land Registry fee of £40.
- The loan will be secured against the property and registered as a legal charge on the Local Land Charges Register and secured against your property at the Land Registry if the loan amount exceeds £7,500.

IMPORTANT: YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON A MORTGAGE OR ANY OTHER DEBT SECURED ON IT.

The table below shows an example for a loan taken out over five years. The amount you could expect to repay will vary depending on the amount of loan you take out and the term.

*Please note your final payment will differ slightly from this amount to ensure the monthly repayments over the term of the loan equals the total amount payable.

	Example 1:	5 years
	Not including fees	Including fees
Total amount of credit	£8,000	£8,549
Number of monthly repayments	60	60
Value of monthly repayments*	£150.97	£161.33
Fixed interest rate	5%	5%
Total amount repayable	£9,058.19	£9,679.81
Representative %APR	5.1%	8.1%

Fees payable	
Severn Wye project management fee	£480
Land Registry fee	£40
Credit Check and Land Registry search	£29
Total	£549

The table right shows the fees applicable to the above example. The fees can be included in the total loan amount as shown in the example above.

Ten steps to a warmer home

There are ten simple steps to follow if you want to access the Stroud Target 2050 Loan:

1. Contact: Get in touch with Severn Wye Energy Agency through the Warm and Well advice line to find out how to reduce your energy bills.

2. Assessment: Have a home energy assessment, if you haven't already, to see which energy efficiency measures will be suitable for your home.

3. Options: Receive a report detailing the options you can take.

4. Referral: Request an application pack from Stroud District Council.

5. Quotes: Obtain at least two quotes from a Link to Energy Installer for each measure you would like to undertake.

6. Savings Summary: Send your quotes into Severn Wye. You will then receive a Savings Summary.

7. Apply and Decision: Complete and return your application pack to the council who will review your application. They will always notify you of the outcome of their decision.

8. Approval: Once you have received approval for the loan, you can then arrange to have the work carried out.

9. Installation: Once it is complete, the work will be checked by a council officer to ensure it meets the criteria and standards.

10. Completion: Your direct debit payments will then be set up and you will be able to enjoy your warmer home.



Step 1 | Contact

You may already have done so, but your first step should be to find out how you can reduce your energy bills.

Contact the Severn Wye-managed Warm and Well advice line on **0800 500 3076** (free from a landline), or **01452 833 605** and speak to one of their trained energy advisors.

They will be able to give you free advice on saving energy in your home. They will also be able to discuss renewable energy options with you.

Advisors will also be able to tell you the latest income and savings criteria, and whether you fit the current eligibility criteria for the loan. Once they have guided you through this, they will be able to take your details and discuss step 2.

The Stroud Target 2050 Loan may not be the only option for you and the advisors can also tell you if they are aware of any other current funding options.

Homeowners may also be eligible for additional forms of funding, such as the Green Deal, or the Energy Company Obligation (ECO), as well as the Feed-in Tariff and the Renewable Heat Incentive.

Step 2 | Assessment

To apply for the loan you must have had an accredited quality home energy assessment, such as a Green Deal Advice Report.

If you have had one already, you may be able to use this. If you have not, an Assessor from Severn Wye will be able to visit your property to carry out a home energy assessment. There may be free assessments available for clients in certain circumstances, otherwise there will be a charge.

During this assessment, the Assessor will consider both the property itself and the energy you use.

Once complete, your Assessor will be able to talk you through the options and tell you which energy efficiency measures you may be able to get funding for under the loan.

You will then receive a report which will detail the Assessor's findings and explains where the improvements could be made to your property.

The assessment and the loan are separate. Once you have had an assessment there is no obligation for you to take out the loan. Having an assessment does not guarantee that you will be able to access the loan.

Step 3 | Options

If you have any questions regarding your assessment please speak to your Assessor who will be able to discuss this further.

They will also describe which of the funding options may be available to you.

If you want to apply for the Target 2050 Loan you can now use your report to decide which measures you would like to install.

There is a list of measures which are approved under the loan. Your Assessor or an advisor on the Warm and Well advice line will be able to tell you more about these.

As a condition of the loan you will need to have installed loft insulation to a depth of 270mm and cavity wall insulation before other improvements can be made to the property,

where it is practical and reasonable.

In the case where double glazing is being installed then solid wall insulation may also be required, again where practical and reasonable.

If you wish to proceed, Severn Wye will now send your details to the council, who will send you an application pack.



Step 4 | Referral

The council will send you an application pack and will assign you an Environmental Health Officer who will be able to help you through the process. The council, as the creditor, will assess your eligibility for the loan.

You can include the fees as described on page 2, into the loan up to a maximum amount of £10,000.

Alternatively you can pay these fees separately. If you do pay them separately the credit check and Land Registry search fee and the Land Registry fee will be payable after you have submitted your application, but before a loan offer is made.

The project management fee will be payable after the loan agreement has been signed, but before the loan is paid out.

It is advisable to contact your mortgage provider to discuss whether they would have any objections to you taking out the Target 2050 Loan as their formal permission will be required if you decide to apply.

Step 5 | Quotes

You can now proceed to get quotes if you have not done so already. For the Stroud Target 2050 Loan you must receive at least two comparable quotes from installers for each measure you consider undertaking.

The quotes must be obtained from installers registered on the Link to Energy website: www.linktoenergy.org.uk. Link to Energy is a free-to-use database of installers across Gloucestershire, South Gloucestershire and Wiltshire.

If you know of a company that you would like to carry out the work, but which is not registered on the site, then they can sign up free of charge.

Quotes must be itemised with a breakdown of costs and should be addressed to you. Please note that the council will not pay deposits to installers.

You must ensure the company you select is accredited to carry out the works you are having installed. They may need to provide certificates for the work that has been carried out before the funds can be released. Failure to ensure that the company is accredited may result in the loan not being paid. Further guidance on required accreditations can be found in the 'Building works, replacements and repairs to your home' document.

Step 6 | Savings Summary

Once you have received your quotes you will need to send these into Severn Wye in order for them to create a Savings Summary. You will need to email or post your quotes along with your name and address to Severn Wye (see page 10 for contact details).

Severn Wye will then use the savings figures from your home energy assessment to give an indication of the savings you could make from installing energy efficiency measures. This includes information on how long it may take for your installed measures to generate enough savings to have paid for the initial cost.

The calculations also take funding into account, for example, the Feed In Tariff for technologies that generate electricity.

Please note that the Savings Summary will be based on your quotes and will not take into account the cost of finance or fees from the Target 2050 Loan.

As part of your application you must send in a Savings Summary where the quotes fulfil all of the criteria in step 5.

Step 7 | Apply and Decision

Your next step is to complete and return your application pack to the council. A list of the documents you need to send is in the pack.

If you have any questions or require assistance in completing the pack, contact your assigned Environmental Health Officer who will be able to help (see page 10 for contact details).

The council aim to respond within five business days to confirm receipt of your application.

Once your application has been submitted, the council will review your application to confirm you meet the loan eligibility criteria.

The standard procedure checks will include a planning check, credit check, affordability check and Land Registry search and identity check.

Once all these checks are complete, you will be sent a loan offer along with the loan agreement, a Direct Debit mandate, and, if required, Land Registry forms.

Once you have completed and returned all of these, the council will then be able to issue you with a signed and approved loan agreement and permission to commence works.



Step 8 | Approval

Once you have your approved loan agreement, work can begin on your home improvements.

You must complete the commencement notice and send this back to the council. A council officer may also visit the property during the work.

At this stage the loan will be secured against your property as a legal charge on the Local Land Charges Register and where applicable at the Land Registry.

If work begins before your loan is approved, your application may become invalid and approval revoked.



Step 9 | Installation

As soon as your installer or builder has completed their work, you can return your completion notice to your assigned officer at the council.

They will come out to your home to inspect the standard of the work and, where necessary, any accreditation documents.

If the council officer does find any problems or is not satisfied, the installer or builder may be required to carry out extra works before payment is made.

If there are any variations to the proposed works, contact your assigned officer at the council. They will be able to visit your home, and authorise any variations to the works.

As a condition of the loan, the works must be completed within six months of the date on which the formal approval certificate was issued.



Step 10 | Completion

If the officer from the council is satisfied with everything they will then arrange payment to your contractor.

If you have included the project management fee in the loan this will now be paid by the council. If you have decided not to include the project management fee in the loan then you must make this payment before the loan funds are released.

As you will have already completed a Direct Debit form, your monthly repayments will begin automatically on the twenty-fifth day of the following month.

Now the work is complete you can enjoy a more comfortable home – and feel more secure against rising fuel prices in the future.

Your final step is to let us know how the process worked for you. You will have already been sent a customer satisfaction form, please complete and return this to enable us to improve the scheme where possible.

And, if you have any friends or relatives who you think would be eligible and would benefit from the scheme, why not let them know how it helped you.

Further information

Here are a few other answers to questions you may have...

1. What happens if I die, sell my house or it is no longer my main residence?

The loan is repayable, in full, on sale of the property or if the borrower dies (including all forecasted interests, if the repayment is in the first year).

2. Do I have to have insurance?

Yes, you must have building insurance for the duration of the loan.

3. Can I repay the loan early?

Yes. You can repay the total amount any time after the first year of the loan. The full outstanding amount must be paid at this time. There is also a £50 admin charge payable.

4. Can I make additional payments on the loan i.e. make small overpayments each month?

Unfortunately you cannot make overpayments on the loan. The monthly payments will remain the same throughout the loan term or you can chose to repay the loan in full.

5. Can I choose the installer?

You can choose the installer, on the following conditions:

- a) The installer must be signed up to the Link to Energy website. This is free to join and it only takes a few moments to register.
- b) They should be the lowest of the quotes (if you have a preference for the installer with the higher quote, the difference should be marginal and justified).
- c) The choice must be approved by the

council.

6. Who will pay the installer?

The council will pay the installer directly for the work on your behalf.

7. Do I need to do anything once the measures have been installed?

You must ensure that measures (such as boilers) are maintained and have regular checks e.g. yearly check by gas safe registered engineer.

8. Does the loan cover extended warranties?

No. The loan will not pay for extended warranties.

9. Do I have to own the property?

Yes. You must be registered as an owner on the Land Registry. If you are not, then you need to register as an owner. This does incur a charge and needs to go through specific legal routes. The loan is secured against your property as a legal charge on the Local Land Charges Register for loans less than £7,500 and at the Land Registry for loans over £7,500.

10. What if more than one person owns the property?

If there is more than one of you, you must apply jointly for the loan and take on joint responsibility.

11. Do I need to tell my mortgage company?

Yes. You must get consent from the mortgage provider, if there is a mortgage.

Notes

This booklet has been produced by Stroud District Council and Severn Wye Energy Agency.

Severn Wye Energy Agency is a not-for-profit company and charity (charity no. 1083812), established in 1999 under the European Commission SAVE programme to promote sustainable energy and affordable warmth through partnership, awareness-raising, innovation and strategic action.

The Warm and Well advice line is managed by Severn Wye Energy Agency, in partnership with the local authorities in Gloucestershire and South Gloucestershire.

This is not financial advice. Your Assessor will discuss the different options open to you that Severn Wye is aware of. Severn Wye does not intend to and will not provide advice or make recommendations on financial matters. You should always seek independent financial advice and investigate other means of funding for any home improvement works before committing yourself.

Severn Wye will only refer to responsible lenders and/or Green Deal Providers who are registered with the appropriate bodies and are required to follow to the principles of responsible lending.

Contact details:

Severn Wye Energy Agency

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Gloucester GL2 8DN

Tel: 0800 500 3076 or 01452 833 605

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Web: www.severnwe.org.uk

Twitter: [@Severn_Wye](https://twitter.com/Severn_Wye)

Stroud District Council

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GL5 4UB

Tel: 01453 754478

Email: environmental.health@stroud.gov.uk

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The Stroud Target 2050 Loan

This is a new initiative offering Stroud District homeowners the opportunity to improve the energy efficiency of their home by installing a range of suitable measures.

This booklet takes you through the process step-by-step, explaining how the loan works and what it offers.

The aim is to give you the information you need to help you decide whether the loan is right for you.