

## **Disabled Facilities Grants**

**EXECUTIVE MEMBER:** Councillor George Clements  
**LEAD OFFICER:** Julie Betteridge, Head of Regeneration & Community  
**REPORT AUTHOR:** Laurie Priebe & Debbie Cochrane

### **WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS**

In 2008 the government introduced changes to statutory Disabled Facilities Grant regulations. These included a power that enables grant monies to be recycled back into housing capital programmes when an adapted property that has benefited from grant is disposed of, whether by sale, assignment, transfer or otherwise. The benefit to the community would arise from securing recycled capital investment for Disabled Facilities Grants and improved value for money.

### **WHY HAS THIS REPORT COME TO THE EXECUTIVE?**

**(eg Key Decision, Policy recommendation for Full Council, at request of Council, etc.)**

It is a recommendation from the Strategic Housing Panel on 8 March 2011.

### **RECOMMENDATION:**

That Council approve that a legal charge be placed on such properties where the conditions described in paragraphs 2.1 to 2.3 below are met.

## **1. INTRODUCTION**

- 1.1 In 2008 the government changed the regulations attached to Disabled Facilities Grants (DFGs) to improve their scope and increase the maximum level of grant from £25,000 to £30,000.
- 1.2 Local housing authorities were at the same time given a power to place a charge on a property that had benefited from a DFG where certain conditions were met. The legislation is the Housing Grants, Construction and Regeneration Act, 1996. The relevant section from the General Consent issued in 2008 is attached as Appendix A.
- 1.3 DCLG makes an annual Specific Capital Allocation (SCA) to housing authorities for DFGs. Since 2008/09 Copeland's allocation increased from only £208,000 to

£210,000 for 2010/11 (although we received another £118,000 last year in common with all Cumbria Districts following lobbying to DCLG in which Copeland took a leading part).

- 1.4 In 2010/11 our baseline allocation was still the second lowest in Cumbria and far too little to meet the statutory needs of people with disabilities. In 2010/11 we committed to funding £609,000 in grants (nearly 3 times the baseline allocation).
- 1.5 Up to and including 2010/11 we topped up the funding for DFGs from our allocation under the Regional Housing Capital Pot. The latter was for the Council's housing capital priorities, of which DFGs were the highest.
- 1.6 Between 2008/09 and 2010/11 the Council suffered a reduction of over 50% in its share of the Regional Housing Capital Pot, from £1.175M in 2008/09 to £554,000 in 2010/11. The Capital Pot has since been abolished and this external funding is lost.
- 1.7 For 2011/12 our SCA for DFGs is £261,000 (an increase of £51,000). There is also a national underspend which is being redistributed in equal shares of £4,100, making £265,100 in total, which is still less than half of our anticipated commitment based on last year's capital outturn. The shortfall will be met from useable capital receipts reserves as specified in the capital programme approved by Full Council on 22 February 2011.
- 1.8 The difficulties described above are experienced by all Cumbria District Councils, some to a greater extent. Letters seeking further funding were signed by Leaders of the District Councils, the Cabinet Member for Adult Social Care in the County Council and the Director of Public Health, Cumbria. The letters were sent in April 2011 to the Housing Minister, Grant Shapps MP, and all Cumbria MPs.

## **2. PROPOSALS**

- 2.1 A legal charge can be placed on a property that receives a DFG where the following conditions are met:
  - the amount of the DFG exceeds £5000
  - it is applicable to only owner occupied homes
  - the charge is effective for a period of 10 years.
- 2.2 If a property subject to such a charge is disposed of, whether by sale, assignment, transfer or otherwise within 10 years the Council will have the power to take the charge not exceeding the value of the grant or £10,000. This can be determined on a case by case basis reflecting the personal circumstances of the householder concerned, with issues of hardship being taken into account. The framework within which discretion must be used is described in Appendix A.

- 2.3 The Strategic Housing Panel were minded to agree that the discretion be delegated to a panel of officers chaired by the Head of Regeneration and Community and including the Strategic Housing Manager.

### **3. ALTERNATIVE OPTIONS TO BE CONSIDERED**

- 3.1 There is at present no other source of external capital funds with which to meet the statutory and mandatory need for Disabled Facilities Grants. The only source other than the Specific Capital Allocation from DCLG is the Council's useable capital receipts reserve if a cumulative annual capital shortfall is to be avoided.
- 3.2 An annual funding shortfall will create a real but undeclared waiting list for DFGs, which is not recommended. DFGs save lives and prevent emergencies like unplanned hospital admissions. They also enable people to maximise their independence while living in their own homes with safety, dignity and self-respect. It is estimated that a fall resulting in a fractured hip costs health and social care services an average of £30,000. The average cost of a DFG in Cumbria (including level access showers and stairlifts) is about £5000 and it reduces the risk of falls.

### **4. CONCLUSIONS**

- 4.1 DFGs are a mandatory grant and District Councils must approve the grant if the applicant meets the essential criteria. An applicant must first be assessed by an Occupational Therapist from the County Council who provides an assessment of the adaptations the person needs to his/her home.
- 4.2 The grant is available for both adults and children regardless of the tenure of the home. For adults, applicants must undergo a means test and make a contribution to the cost of the work if their savings and income are above a certain level. People without substantial savings and in receipt of income related benefits have no contribution to make.
- 4.3 61 new applications received grant approval in 2010/11 (not including applications received near the end of 2009/10 and approved after 1 April 2010). Of these, 46 (or 75%) were from owner occupiers. 14 (or 23%) were from social housing tenants and one was living in the private rented sector. This proportion of owner occupiers to social renters is very close to the tenure split for all Borough residents.
- 4.4 54 (or 88.5%) of the 61 applicants were assessed by the means test to make no contribution towards their grant. 7 applicants (or 11.5%) were required to make a contribution. Of these, 6 were owner occupiers and one was a social housing

resident.

- 4.5 The major providers of social housing in Copeland are Home Housing followed by Two Castles Housing Association and (close behind) Impact Housing Association. Residents of the first two applied successfully for DFGs in 2010/11 and their landlords made a financial contribution in all cases. Social landlords have no statutory duty to provide DFGs but many contribute to the costs in light of good practice, support for their residents and a general duty of co-operation with the strategic local authority.
- 4.5 It is not presently possible to produce an estimate of the value of receipts but they are likely to be low. However, given the loss of external funding described in paragraph 1.6 above, even modest receipts will make a difference to people with disabilities for whom the Council has a duty to provide grants
- 4.6 The Executive are asked to endorse the proposals in paragraphs 2.1 to 2.3 and refer them to Full Council with recommendation for adoption.

## **5. STATUTORY OFFICER COMMENTS**

- 5.1 The Monitoring Officer's comments are: Proposals appear to be in accordance with statutory framework. It would be preferable for the delegation in 2.3 to be to a single individual officer rather than a group.
- 5.2 The Section 151 Officer's comments are: The budget for Disabled Facilities Grants is considered on an annual basis as part of the Council's budget setting process. This ensures that the expenditure on this service is considered alongside the other Council priorities. If the receipts from the repayments of DFGs were to be ring-fenced in the future this may mean that the Council has less flexibility in how to allocate its resources on an annual basis.
- 5.3 EIA comments are: The impact on people with disabilities would not be negative if capital receipts from this source help to enable the Council to provide sufficient funding for people who need Disabled Facilities Grants. Criteria in (b) (i) to (iv) of Appendix A will prevent financial hardship and protect health and well being. Recycled grant will have a positive impact when used for others in need of disabled facilities, which will reduce the risk of accidents at home and unplanned hospital admissions.

## **6. HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?**

- 6.1 Programme management will be the responsibility of the Strategic Housing Manager, Housing Renewal Manager and the Housing Services Team. Monthly budget monitoring will be undertaken in conjunction with the Capital Accountant.

**7. WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?**

- 7.1 If the recommendations are adopted the Council will be able to recycle capital receipts back into the housing capital programme and help to meet future needs for Disabled Facilities Grants.

**List of Appendices**

Appendix A – The Housing Grants, Construction and Regeneration Act 1996:  
Disabled Facilities Grants (conditions relating to approval or payment of grant) General Consent 2008. (relevant extract)

**List of Background Documents:** The Housing Grants, Construction and Regeneration Act 1996

## Appendix A

Section from:

The Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (conditions relating to approval or payment of grant) General Consent 2008.

The local housing authority may demand the repayment by the recipient of such part of the grant that exceeds £5000 (but may not demand an amount in excess of £10,000) if;

- (a) the recipient disposes (whether by sale, assignment, transfer or otherwise) of the premises in respect of which the grant was given within 10 years of the certified date; and
- (b) the local housing authority, having considered;
  - (i) the extent to which the recipient of the grant would suffer financial hardship were he to be required to repay all or any of the grant;
  - (ii) whether the disposal of the premises is to enable the recipient of the grant to take up employment, or to change the location of his employment
  - (iii) whether the disposal of the premises is made for reasons connected with the physical or mental health or well being of the recipient of the grant or of a disabled occupant of the premises; and
  - (iv) whether the disposal is made to enable the recipient of the grant to live with, or near, any person who is disabled or infirm and in need of care, which the recipient of the grant is intending to provide, or who is intending to provide care of which the recipient of the grant is in need by reason of disability or infirmity;

is satisfied that it is reasonable in all the circumstances to require the repayment.