

STRATEGIC HOUSING PANEL

Item 7

Executive Member: Deputy Leader; Councillor George Clements
Lead Officer: Fergus McMorrow; Director of Development
Report Author: Debra Cochrane; Private Sector Renewals Manager

FOR CONSIDERATION – Charges on properties that have been adapted with a Disabled Facilities Grant (DFG).

Summary and Recommendations

This report presents details of the changes introduced which will enable local authorities to place a charge on a property after adaptations which use public funds.

It is recommended that the Panel agrees the principle of placing and applying a charge on the property where the amount of the Disabled Facilities Grant (DFG) exceeds £5000 and the grant recipient is an owner occupier: that this is subject to a policy framework for determining whether or not to require repayment and for appeals.

1. INTRODUCTION

- 1.1 Earlier this year the Government introduced a number of changes to the Disabled Facilities Grant system. These changes were designed to improve its scope and increase the maximum level of the grant from £25,000 to £30,000. At that time it also announced measures to enable monies to be recycled back into local authorities' programmes when an adapted property that had benefited from the grant was sold.
- 1.2 The purpose for making this change is to provide the ability for local authorities to recycle funds. They would be ring-fenced, meaning that recycled funds would be used to provide DFG's for other applicants. The council will have the discretion as to whether, and in what circumstances, to require repayment of monies.
- 1.2 In future, the Government may take account of this recycling element when setting Councils' funding allocation.
- 1.3 These recommendations have been accepted by Carlisle, Eden and Barrow Borough Councils. Allerdale and South Lakeland will be recommending the same to their Executives in order to provide a consistent approach County wide and avoid 'postcode lotteries' of service.

2. DETAILED CONSIDERATION

- 2.1 **The criteria for placing and applying a charge** – the measures introduced involve a charge being placed on the property where certain conditions are met:-

- The amount of the DFG exceeds £5000
 - Applies only to the properties of owner occupiers
 - The charge is effective for a period of ten years
- 2.2 If the property is sold within ten years, then councils have a discretionary power to take a charge up to £10,000. The charge will be determined on a case by case basis reflecting the individual circumstances of each applicant, with issues of hardship and particular problems taken into account. Please refer to appendix 1.
- 2.3 At the Panel meeting of 9 September 2008 concern was expressed that a charge could only be applied to owner-occupiers, not to tenants because the latter cannot take any capital value from their homes when they move. Subsequent research has shown that 80% of our grant applicants this year are owner-occupiers. Account should also be taken of the financial contribution made by registered social landlords where the cost of works to their tenant's home exceeds the maximum grant of £30,000.00.
- 2.4 If the Panel agrees the recommendation officers will prepare a policy framework describing how discretion will be used in individual cases for determining whether or not to require repayment. It may be appropriate to create a decision-making panel for appeals against recharges. Members are invited to express their views on whether this appeal panel should comprise officers, members or a combination of both.
- 2.5 This will then be formally reported to the next Panel meeting with an onward recommendation for the Executive.

APPENDIX 1

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 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.