

Disabled Facilities Grants

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

Summary and Recommendations

This report refers to powers that enable local authorities to place legal charges on properties that have been adapted with Disabled Facilities Grants. The Panel is requested to recommend to the Executive that the Council places a legal charge on such properties where the conditions described in paragraphs 2.1 to 2.2 below are met. The panel is also requested to recommend to the Executive that capital receipts arising from this source be ring-fenced and recycled into Disabled Facilities Grants.

1. INTRODUCTION

- 1.1 In 2008 the government introduced changes to Disabled Facilities Grants (DFGs). These were designed to improve their 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 would have the discretion as to whether, and in what circumstances, to require repayment of monies.
- 1.3 The Strategic Housing Panel last considered this issue in November 2008 but officers did not pursue it while substantial external funding was available from the Regional Housing Capital Pot.
- 1.4 In 2009/10 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. There is no Regional Housing Capital Pot with effect from 2011/12 and the funding is lost. During the same period the Council's specific annual capital allocation from government for DFGs increased from £208,000 to only £210,000. in 2010/11.

- 1.5 The loss of external funding for the Housing Capital Programme has left the Council with limited resources with which to meet the needs of people who are entitled to DFGs under the Housing Grants, Construction and Regeneration Act, 1996.
- 1.6 Our total spend in 2010/11 plus committed expenditure carried forward into 2011/12 is forecast in the region of £680,000. The Housing Capital Programme for new commitments in 2011/12 comprises £500,000.

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 councils will have a discretionary power to take a charge not exceeding £10,000. This will be determined on a case by case basis reflecting the personal circumstances of the householder concerned, with issues of hardship and individual problems taken into account. The framework within which discretion must be used is described in Appendix A.
- 2.3 If the Strategic Housing Panel makes the above recommendation it will be forwarded on their behalf to the Executive. It will also be necessary to establish a panel to exercise the Council's discretion in determining whether or not to require repayment in individual cases. Officers are minded to suggest that such a panel be comprised of delegated officers but the views of the Strategic Housing Panel on this subject are requested.

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 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.