

**WYRE FOREST DISTRICT COUNCIL**

**CABINET**  
**26TH JUNE 2008**

**Wyre Forest District Council**  
**Private Sector Housing Assistance Policy 2008**

| OPEN                      |  |
|---------------------------|--|
| COMMUNITY STRATEGY THEME: | Improved Health and Wellbeing                                      |
| CORPORATE PLAN THEME:     | Enabling Community Wellbeing                                       |
| KEY PRIORITY:             | Housing and Independent Living                                     |
| CABINET MEMBER:           | Councillor Anne Hingley  |
| RESPONSIBLE OFFICER:      | Head of Planning, Health and Environment                           |
| CONTACT OFFICER:          | Richard Osborne (Ext. 2564)<br>Richard.Osborne@wyreforestdc.gov.uk |
| APPENDICES                | None   |

**1. PURPOSE OF REPORT**

- 1.1 The report sets out the package of changes that have been introduced by the Department for Communities and Local Government (DCLG) to modernise the Disabled Facilities Grant (DFG) programme and improve delivery of adaptations to the homes of disabled persons nationally.
- 1.2 This report also asks Members to consider whether they wish to implement the ability to include a 'Claw Back' clause for DFGs over £5,000 as the new arrangements allow Local authorities the discretion to impose a limited charge on an adapted property so that if it is sold or transferred within ten years the grant can be reclaimed up to a maximum of £10,000.
- 1.3 To inform Members about the proposed introduction of the new Kickstart scheme.
- 1.4 There are some immediate changes to be made to the Private Sector Housing Assistance Policy 2008 as a result of statutory changes and other policy issues which require further work before implementation.

## **2. RECOMMENDATION**

### **2.1 The Cabinet is asked to recommend to Council**

- i that the Private Sector Housing Assistance Policy is amended to include mandatory legislative changes to the DFG scheme as set out in 3.2. below;**
- ii that the Head of Planning, Health & Environment in consultation with the Head of Legal and Democratic Services and the Head of Financial Services develops a policy proposal for the introduction of discretionary charges on properties which have received DFG funding and meet the criteria as set out by the DCLG;**
- iii that the Head of Planning, Health & Environment progresses the development of the Kickstart scheme in Wyre Forest**

### **2.2 Both proposals at ii and iii above to be brought back to Cabinet at the earliest opportunity for further consideration.**

## **3. BACKGROUND**

**3.1** The Government has carried out a national review of the recently published Disabled Facilities Grant (DFG) programme. Closely linked with the DCLG's National Strategy for Housing in an Ageing Society the review sets out to improve programme delivery of DFGs, modernise the process, reduce the complexity of the system and reflect the continued pressure on funding.

**3.2** The package of changes which came into force on the 22<sup>nd</sup> May 2008 makes the following changes:

- a) Maximum grant limit to be raised to £30,000** - The maximum amount of grant available for an individual mandatory DFG increases from £25,000 to £30,000, the aim being to help an increasing number of people with complex cases for which the current ceiling of £25,000 is not high enough to meet the full costs of the required adaptations. This rise in grant also addresses the increased costs of carrying out the relevant works and will also benefit families with children for whom adaptations tend to be most costly.
- b) Financial test of resources : improvements to the means test** - DFG applicants claiming Council Tax Benefit, Housing Benefit and Tax Credits for those on low incomes will no longer be required to provide any further financial information in addition to these benefits. In addition those people in receipt of Working Tax Credit and Child Tax Credit will no longer have these payments counted as income in the DFG means

test. This passporting approach is seen as a first step to improving the means test to simplify and speed up the assessment process.

- c) **Access to Garden** - Whilst the DFG can currently be used to fund access to gardens, the existing legislation has not been clear on the provision of works to enable access to gardens as a specific purpose for grant. The legislation has therefore now been changed making access to gardens a specific criterion for entitlement for the Disabled Facilities Grant, where this is reasonable and practicable. Given the overall need to reduce the bureaucratic nature of the DFG programme, the DCLG have deliberately avoided a tightly prescribed set of circumstances in which access should be funded.
- d) **Social Housing Grant funding for adaptations to transfer to DFG** - In past years a small element of adaptation work on RSL owned stock has been carried out by RSLs with Social Housing Grant (SHG) agreed with the Housing Corporation. Nationally, the funding spent on adaptations within SHG amounted to £1.5 million annually. This will now form part of the overall DFG baseline allocated to local authorities.
- e) **Removal of the 60:40 funding split** - Currently, 60 per cent of the funding for DFGs comes from specific DCLG grants, and local authorities are required to find the remaining 40 percent from their own resources.

From 2008-09 the DFG funding split of 60:40 no longer applies. Local authorities will receive a DFG allocation without a specified requirement to match this funding. This increased flexibility aims to allow local authorities to design services which fit with local delivery arrangements and the needs of individuals. The DCLG considers that, given the importance of providing adaptations, and the beneficial, preventative impact these have on other budgets, such as social care, local authorities will continue to prioritise this area for funding.

The DCLG is aware that many authorities currently contribute funding towards the DFG beyond the 40 per cent level (as does BDC), to reflect the need they have identified. The DCLG does not expect this change to have any negative impact on this practice and fully expect local authorities to be able to bring together other resources more transparently and coherently.

- f) **Relaxing the DFG operational ring fence** - From 2008-09 the scope for use of DFG funding will be widened. Initially, the ring-fence will remain, but its scope will be widened to support any local authority expenditure incurred under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO). This will enable authorities to use specific DFG funding for wider purposes, which may be more appropriate for individuals than current DFG arrangements allow.

Creating greater flexibility will allow the DFG to be used for associated purposes, such as moving home, where this is a more appropriate solution, or funding could be pooled to purchase portable extensions which are suitable for re-use, through improved procurement models.

The removal of the restrictive ring-fence on the funding is designed to help improve delivery and reduce the bureaucracy involved in the DFG application process helping to speed up the process and enable local authorities to develop a simplified system which could deliver small-scale adaptations more quickly, for example by offering a service which rapidly deals with inaccessible housing or the need for quick discharge of people from hospital.

It is proposed that, from 2010-11, the DFG allocation will be paid to local authorities as an un-ring fenced payment, through a determination under section 31 Local Government Act 2003.

This in effect means that DFG funding could be pooled with resources from a number of other programmes. It will then be for local authorities to determine, against local priorities, how they best use these funds. As part of this move, local authorities will be given a two year settlement from 2009-10 (moving to three in the following spending cycle).

- g) **Property charges** - Local authorities are now provided with the discretion to impose a limited charge on the adapted property, if it is sold within ten years. The general consent will enable local authorities to implement a repayment condition on adapted properties of owner occupiers, where the cost of the DFG exceeds £5,000, limited to a maximum charge of £10,000.

Local authorities are allowed complete discretion as to how they administer charges on adapted properties. The DCLG accepts that Local authorities are best placed to determine, where the placement of a charge may cause hardship or where due to the sensitivities of a case, the charge should be waived.

It is expected that through the introduction of charges local authorities will be able to recycle these funds in the DFG programme when the adapted property is sold (providing this occurs within ten years).

## 4. KEY ISSUES

- 4.1 Currently the granting of Mandatory DFGs for the adaptation of private homes for disabled persons is free from any condition requiring the owner to pay back grant in the event of the property being sold in the future. However, the Council does impose a condition when giving Discretionary Home Repair Assistance if the property is sold within 10 years that is tracked by a charge being made on registered properties through the Land Registry and unregistered properties through the local search process.
- 4.2 The new changes set out in Section 3 of the report above, allow a Local Authority, to place a limited charge against an adapted property. The placement of charges is at the discretion of each Local Authority and should be determined on a case by case basis reflecting the individual circumstances of each applicant. The DCLG accepts that local authorities are best placed to determine, where the placement of a charge may cause hardship or where due to the sensitivities of a case, the charge should be waived.
- 4.3 When approving an application for a DFG exceeding £5,000, and where the applicant has a qualifying owner's interest in the premises on which the relevant works are to be carried out, the local housing authority may now impose the following conditions:
- The local housing authority may demand the repayment by the recipient of such part of the grant that exceeds £5,000 (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,

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

### **Kickstart Scheme**

- 4.4 The West Midlands Kick Start Partnership is an innovative regional partnership of Local Authorities that supports Local Authorities to deliver successful loan based housing assistance services. The aim is to increase the impact of limited public funds so that vulnerable and low income homeowners can address poor housing conditions. The West Midlands Regional Assembly is providing funding to help enable this service to be rolled out from the 7 current authorities to include Worcestershire authorities with a funding commitment for the next 3 years.
- 4.5 In practice the partnership enables a variety of loan services and products including equity release to people on low income that need some help in maintaining or improving their property. This includes professional financial advice services that are properly regulated. It is up to the individual authorities to tailor their policy and determine what criteria should be applied to select suitable referrals. The service will be linked through the local Home Improvement Agency, e.g. North Worcestershire Care and Repair.
- 4.6 It is recommended that the Cabinet approves the principal introduction of a grant condition requiring repayment in the event of sale of the property within 10 years, but subject to the Head of Planning, Health & Environment further considering the legal and financial implications to enable a new policy to be brought back to Cabinet for a more detailed consideration.

## **5. FINANCIAL IMPLICATIONS**

- 5.1 The cost of the some DFGs will increase to £30,000, but the budget will continue to be managed at the level set out in the current Housing capital programme.

## **6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 Some policy changes will be made with immediate effect to implement the key changes to the Wyre Forest District Council Private Sector Housing Policy.

## **7. RISK MANAGEMENT**

- 7.1 Failure to have an up to date Private Sector Housing Assistance Policy in line with legislative changes would leave the Council open to potential challenge upon its decisions.

## **8. CONCLUSION**

- 8.1 The introduction of charges recently introduced by the DCLG will be incorporated in current policy. Officers will carry out further work on the possible introduction of property charges and the implementation of the Kickstart scheme.

## **9. CONSULTEES**

- Community Housing Group
- SSAFA Forces Help
- Worcestershire Councils
- North Worcestershire Care and Repair Agency

## **10. BACKGROUND PAPERS**

- Wyre Forest Private Sector Housing Assistance Policy 2006
- DCLG – National Strategy for an Ageing Society
- DCLG – Disabled Facilities Grant : The Package of Changes to Modernise the Programme
- Statutory Instrument 2008 No 1189 Housing, England – The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008.
- The Housing Grants and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to Approval or Payment of Grant) General Consent 2008.

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