

**WYRE FOREST DISTRICT COUNCIL**

**CABINET**  
**20<sup>th</sup> NOVEMBER 2008**

**Recovering Disabled Facility Grants through Property Charges**

<b>OPEN</b>	
<b>SUSTAINABLE COMMUNITY STRATEGY THEME:</b>	<b>Improving Health and Wellbeing</b>
<b>CORPORATE PLAN AIM:</b>	<b>A Better Quality of Life</b>
<b>CABINET MEMBER:</b>	<b>Councillor Anne Hingley</b>
<b>HEADS OF SERVICE:</b>	<b>Head of Planning, Health &amp; Environment</b>
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<b>APPENDICES</b>	<p><b>1. The Housing Grants, Construction &amp; Regeneration Act 1996: Disabled Facilities Grants (Conditions relating to approval or payment of Grant) General Consent 2008.</b></p> <p><i>The appendix to this report has been circulated electronically and a public inspection copy is available on request. (See front cover for details).</i></p>

**1. PURPOSE OF REPORT**

- 1.1 To present Members with a policy proposal for the introduction of discretionary charges on properties receiving Disabled Facilities Grant (DFG) funding in response to the recommendation arising from the Cabinet report of June 26<sup>th</sup> 2008.

**2. RECOMMENDATION**

**The Cabinet is asked to RECOMMEND to Council that:**

- 2.1 **the Private Sector Housing Assistance Policy 2008 be amended as of 1st December 2008 to incorporate the recovery of Disabled Facility Grant (DFG) monies upon the sale of properties as set out in the Disabled Facilities Grant (conditions relating to approval of payment of grant) General Consent 2008.**
- 2.2 **a charge be applied, for 10 years from the date of completion of works, for the cost of works above £5,000, to the maximum of £10,000 on owner-occupied properties subject to the receipt of a DFG.**
- 2.3 **the Head of Planning, Health & Environment be given delegated authority to waive charges which fall within the cases set out in paragraph 4.4, subject to the provision of satisfactory written evidence to support any such claim and that a mechanism for appeal be introduced for any decision with which the claimant is not satisfied.**

**3. BACKGROUND**

3.1 The Council has a statutory responsibility to provide DFGs to disabled property owners and tenants in order to facilitate access to, from and around the property and to make the property safe for them. A discretionary ability to apply a local land charge in certain circumstances was provided for by the 'General Consent' (Appendix 1) issued in May 2008.

3.2 The 16<sup>th</sup> July 2008 Council meeting approved the recommendation of the Cabinet of 26<sup>th</sup> June 2008 that:

The Head of Planning, Health & Environment, in consultation with the Head of Legal & 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 Department of Communities & Local Government (CLG).

3.3 The General Consent introduced in May 2008 (see Appendix 1) enabled Local Authorities to place limited legal charges on the adapted properties of owner occupiers where the cost of the DFG exceeds £5,000. The consent contained other criteria, including that the charge will be limited to a maximum of £10,000 and may be in place for up to ten years. This would mean that if a property had a DFG of, for example, £20,000, then a maximum of £10,000 could be reclaimed if the property was sold within ten years of the DFG works being completed. Reclaimed funds are to be re-cycled into the DFG fund and this monitored by CLG.

3.4 DFGs are means-tested and therefore if the applicant is able to finance the work themselves, no grant would be payable. There is a presumption that it is unlikely that any hardship could be caused through recovery of monies upon sale of the property. 60% of owners who are over 60 (the majority of cases) had more than £120,000 equity in their property in 2005 according to the National House Condition Survey. Local authorities have a power, not a duty, to impose charges and they have the discretion to waive charges in any individual case, where, for example, hardship may be caused or the case is particularly sensitive. The impact of the reduction in house values may potentially lead to hardship in the medium term and will have to be monitored closely.

3.5 The Council's budget for DFGs in the current year, as in previous years, is £800,000 which is likely to provide for approximately 125 adaptations. Typical costs are less than £5,000 for a level access shower and £3,000 to £5,000 for a stairlift depending upon complexity. Larger schemes do occur and include extensions and addition of ground floor facilities for example. These cases often result in the maximum £30,000 being required. In the last two financial years there have been six grants in each year that were over £10,000.

3.6 The general consent sets out various scenarios wherein the Council could waive the property charge. These are:

- Where financial hardship would be caused
- Where the recipient of the grant is moving to take up a job
- Where the disposal of the adapted property is made for reasons connected with the recipient's physical or mental health

- Where the recipient of the grant is moving to live with or near a person who is disabled or infirm and in need of care which the recipient of the grant will provide, or where the recipient of the grant will receive care from the person they move to live with/nearer to

In all such cases the Council has to be satisfied that it is reasonable to reclaim the DFG. No charge can be placed upon tenanted properties.

#### **4. PROPOSAL**

- 4.1 Demand for DFGs is increasing, the population is aging and the costs of grants do rise over time with increases in labour and materials costs. It is anticipated that at present most cases will not incur any recovery charge as the grants are less than £5k, however, this is likely to alter over time and a gradual build up will occur. The maximum grant has risen from £25,000 to £30,000 this financial year, adding further to the financial demands upon the Council.
- 4.2 The Government developed this General Consent 2008 with the intention that Local Authorities are enabled to recycle an increasing proportion of the DFG monies over time. CLG have said they will be monitoring the recycling of monies once charges have been introduced. This will be increasingly important for the Council as it seeks to maximise the effective use of its budgets.
- 4.3 The Council can, in addition to the circumstances set out in the general consent, waive any charge when a person purchasing an already adapted property is in need of the adaptation that has been provided. This would encourage the re-use of existing adapted stock for new cases. The Council can also waive the charge in circumstances where the facilities such as a 'POD' structure (a transferable ready built extension) or stairlift are installed as these can be recycled at a later date. This will encourage the recycling of facilities themselves. The mechanism for this to take place though is still to be firmed up. It is proposed that the decision to waive a charge be delegated to the Head of Planning, Health & Environment and administered by the Housing Services Manager, based upon set criteria, with the ability to appeal to the Head of Planning, Health & Environment where applicants are dissatisfied.
- 4.4 It is proposed that the Council waive recovery of charges in the following circumstances where written evidence is provided to the satisfaction of the Head of Planning, Health & Environment:
- Where financial hardship would be caused
  - Where the disabled person is moving to take up a job
  - Where the disposal of the adapted property is made for reasons connected with the recipient's physical or mental health
  - Where the recipient of the grant is moving to live with or near a person who is disabled or infirm and in need of care which the recipient of the grant will provide, or where the recipient of the grant will receive care from the person they move to live with/nearer to
    - Where the property being sold is to be occupied by a person who requires the use of the facilities provided by the grant
    - Where the facilities provided are themselves recycled into another grant, for example a 'POD' structure or stairlift (subject to an appropriate mechanism to achieve this being agreed)

- 4.5 The charge will be expected to be repaid unless the owner provides information, in writing, to demonstrate that they meet the criteria for a waiver and this is agreed by the Housing Services Manager.
- 4.6 Of the five other Worcestershire authorities, one has already adopted this ability to recover an element of costs, one has a report in the next couple of months recommending the adoption of this ability, one is undergoing a general review of grants with a view to adopting this ability and the other two are yet to consider the matter.

**5. FINANCIAL IMPLICATIONS**

- 5.1 There is likely to be a modest financial benefit, unquantifiable at this point, that will increase over the course of the following years.

**6. LEGAL AND POLICY IMPLICATIONS**

- 6.1 Officers will act under the Private Sector Housing Assistance Policy 2008, as well as the Housing Grants, Construction & Regeneration Act 1996.

**7. RISK MANAGEMENT**

- 7.1 No risk management implications.

**8. CONCLUSION**

- 8.1 The Council is responsible for providing DFGs. To do so in the most effective and efficient manner financially, using the powers granted in the General Consent 2008, will reduce the burden upon the local taxpayer.

**9. CONSULTEES**

Head of Legal and Democratic Services  
Head of Financial Services

**10. BACKGROUND PAPERS**

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

26<sup>th</sup> June 2008 Cabinet

16<sup>th</sup> July 2008 Council