

## **Report to the Cabinet**

**Report reference: C-014-2008/09.**

**Date of meeting: 1 September 2008.**



**Epping Forest  
District Council**

**Portfolio: Housing.**

**Subject: The Application of Additional Conditions to Disabled Facilities Grants.**

**Responsible Officer: Lyndsay Swan (01992-564146).**

**Democratic Services Officer: Gary Woodhall (01992-564470).**

---

### **Recommendations/Decisions Required:**

**(1) That recipients of Disabled Facilities Grants (DFGs) of over £12,000, be required to repay a proportion of the grant on the subsequent sale of the property, provided they:**

**(a) would not suffer financial hardship if they were required to make the repayment;**

**(b) were not selling the property to take up employment or to change the location of their employment;**

**(c) were not selling the property for reasons associated with their health or well-being or that of a disabled occupant of the premises; or**

**(d) were not selling the property so that they can move to provide care for, or have care provided for them by another person;**

**(2) That the Director of Housing be given delegated authority to determine whether any of conditions in (1a) to (1d) are met;**

**(3) That the amount repaid be:**

**(a) the full cost of the work in excess of £12,000 (subject to a maximum of £10,000) if the property is sold within the first five years following the date of completion of the work; or**

**(b) 50% of this amount if the property is sold between five and ten years following the date of completion of the work;**

**(4) That, for all DFGs of over £12,000, a charge be placed on the Local Land Charges Register;**

**(5) That these conditions be imposed for all DFGs for which a formal application is received from 1 January 2009 inclusive; and**

**(6) That the situation be reviewed twelve months following its implementation to assess whether or not this condition has been a disincentive to applicants for DFGs.**

### **Executive Summary:**

The Government has recently introduced legislation, which for the first time gives local authorities the option to attach conditions to DFGs allowing grant money to be reclaimed if a property is sold after the work has been carried out. The legislation allows Councils to

recover grants of more than £5,000, subject to a maximum of £10,000.

The report proposes applying conditions to DFGs of more than £12,000, allowing the full amount of the grant to be recovered if the property is sold during the five-year period immediately following completion of the work and half of this amount if it is sold during the following five years. This will allow for the recycling of capital funds while not disadvantaging those who have had relatively low cost adaptations or those who remain in their homes for a lengthy period after the work has been carried out.

#### **Reasons for Proposed Decision:**

To allow for the potential recycling of capital funds.

#### **Other Options for Action:**

To recover the maximum amount on all grants over £5,000 subject to the conditions in recommendation (1) above. This is not being recommended as it is considered that it might act as a disincentive to the take up of DFGs by some potential grant applicants.

While it remains an option to continue with existing arrangements, this is not being recommended, as it provides no opportunity to recoup capital funding.

#### **Report:**

1. The Council is responsible for administering Disabled Facilities Grants (DFGs) under the Housing Grants Construction and Regeneration Act 1996 (as amended). Mandatory DFGs are means tested grants of up to £30,000 to provide essential facilities or access to essential facilities for homeowners who are registered, or eligible to be registered as disabled. DFGs are separate and different from the funding of adaptations to Council properties.

2. The funding for DFGs is made available from the Council's Capital Programme. Expenditure on DFGs last year totaled £314,000 for which the Council received Government subsidy of £188,000. The Council has made capital provision of £400,000 annually until 2012 for DFGs that was the subject of a report to the last Cabinet meeting. While the Council expects to receive £289,000 Government subsidy on this in the current financial year, it is not certain how much will be received in future years.

3. The adaptations most commonly provided through DFGs are stairlifts and level access showers, although on occasion, where it is not possible to provide the required facilities by altering the existing internal arrangements, it is necessary to construct an extension to the property. The facilities most often provided in this way are ground-floor bedrooms and shower-rooms and the Council generally only gives one or two grants of this type a year.

4. Most disabled adaptations do not enhance the value of the property and experience in recent years would suggest that low-cost adaptations, generally those costing less than £12,000, such as those for through-floor lifts, steplifts and ramps, may often result in a depreciation in value. Last year, 50 DFGs were approved by the Council, of which 4 were for more than £12,000.

5. Separately, Councils are able to recover expenditure on some private sector grants if the property is sold within a specified period of the completion of the work, allowing some recycling of grant funds. The condition requiring repayment in these circumstances is secured by a charge on the property recorded on the Land Charges Register and this is disclosed to potential purchasers when the property is sold. Although the facility to recover grant expenditure has not previously extended to DFGs, recent changes to the legislation have given councils the discretion to require repayment of the grant if the property is sold within 10 years of the date on which the work was completed. This can only be applied to the part of

the grant that exceeds £5,000 and no demand can exceed £10,000.

6. In making a decision as to whether to reclaim grant in individual cases, the Authority must consider whether the recipient is affected by the circumstances set out in Recommendation (1).

7. The majority of grant applicants are older people and the most common reason for sale of a property is the death of the disabled occupant or the necessity to move to specialist accommodation. If the condition to repay the grant was secured by a charge on the property and the grant recipient subsequently died, the grant could be recovered from the estate.

8. It is suggested that the Council does require DFGs to be repaid, but only if the grant is in excess of £12,000 since these are the grants that, in the main, increase a property's value.

9. It is also suggested, however, that the age profile of DFG recipients and the fact that the ten year condition period is quite lengthy make it reasonable to reduce the amount to be repaid by 50% after the expiry of half of the condition period. It is proposed that applicants for DFGs will be advised whether or not they will have to repay the grant before the work is undertaken so that they are aware of the commitment.

10. It is considered that the proposed recommendations will have the effect of maximising capital resources while encouraging grant recipients to enjoy the benefit of higher cost adaptations for as long as possible.

11. The requirements of the legislation to consider the circumstances under which the grant recipient is selling the property means that he or she is unlikely to be disadvantaged by having to make the repayment. In order to allay any concerns that these changes may discourage people from applying for DFGs, the policy will be reviewed twelve months from its implementation.

#### **Resource Implications:**

Any funds recovered will be a capital receipt to the Council. Based on previous years this may be between £20,000 to £30,000 per annum.

#### **Legal and Governance Implications:**

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

#### **Safer, Cleaner and Greener Implications:**

There is the potential for some residents in need of adaptations not to undertake them if they have to repay the grant, which could make them less safe in their homes.

#### **Consultation Undertaken:**

None.

#### **Background Papers:**

Equalities Impact Assessment.

#### **Impact Assessments:**

An Equalities Impact Assessment has been undertaken to assess the effects of the proposed policy on different client groups, the findings from which have been taken into account when formulating the recommendations. There is no greater risk to the Council by agreeing to the recommendations.