

**Agenda Item .4.**

**REPORT TO:** Cabinet Member Housing

**DATE:** 14 July 2009

**DEPARTMENT:** Community Services

**REPORTING OFFICER:** Director of Community Services  
*(Jon Newbegin-Private Sector Renewal Manager)*

**SUBJECT:** **Revision to Private Sector Housing Policy in respect of Disabled Facilities Grants (Property Charges)**

**WARDS AFFECTED:** All

**FORWARD PLAN REF:** N/A

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**1.0 PURPOSE OF REPORT**

- 1.1 To advise on the ability of the Council to place a property charge, in certain circumstances, where an owner occupier is in receipt of a Disabled Facilities Grant.

**2. RECOMMENDATIONS**

- 2.1 That approval is given to adopting property charges for Disabled Facilities Grants in accordance with the policy outlined in Appendix 1 and paragraph 5.8 to this report.

**3. RECOMMENDED REASON/S FOR DECISION/S**

- 3.1 To take advantage of the ability to recoup a proportion of grant monies in order to help subsidise future spend in this important area of work.

**4. ALTERNATIVE OPTION/S CONSIDERED AND RECOMMENDED FOR REJECTION**

- 4.1 None

## 5. BACKGROUND AND REPORT

- 5.1 Consultation with the Department of Resources has been carried out in the preparation of this report.
- 5.2 Last year a package of changes was announced by the Government that amended various aspects of the Disabled Facilities Grant programme. This was in response to criticisms relating to the complexity of the system, the bureaucratic nature of the process and the continued pressure on funding.
- 5.3 One of the changes brought in was concerned with property charges. Formerly Councils could only place a charge against a property for grant if they sought the Secretary of State's permission to do so in each individual case. The changes to the Disabled Facilities Grant programme introduced a general consent enabling local authorities to place limited charges on adapted properties of owner occupiers, where the cost of the Disabled Facilities Grant exceeds £5000, and limited to a maximum charge of £10,000. The charge only comes into play if the adapted property is sold within ten years of the grant being awarded. Full details of the proposed policy are set out in appendix 1 to this report.
- 5.4 The Local Authority has the discretion as to whether or not to place a land charge on the property, or reclaim any or all of the grant paid, but it requires to consider the following:
- a) The extent to which the recipient would suffer financial hardship if the grant was reclaimed;
  - b) Whether the disposal of the property was to enable the recipient to take up employment, or change the location of their employment;
  - c) Whether the disposal of the property is made for reasons of the recipient's physical or mental health or well being; or
  - d) Whether the disposal is made to enable the recipient to live with, or near any person who will provide care for the recipient by reason of their disability.
- 5.5 Having given due regard to the above considerations the Council may reclaim a portion of the grant which relates to that amount between £5,000 and £15,000. For example, if the amount of grant paid to the recipient does not exceed £5,000, then nothing can be reclaimed. If the grant amount is between £5,000 and £15,000 the maximum of £10,000 can be reclaimed in full, but anything exceeding £15,000 cannot be reclaimed.
- 5.6 A high proportion of DFG work is for the installation of level access showers and stairlifts. Last year these two adaptations combined accounted for 40% of total spend. Stairlift installations all came under the £5000 threshold and the average for level access showers came in at £400 above the threshold.

In the case of extensions to property to provide ground floor bedroom or bathroom facilities these range from £16,000 to over £30,000 and clearly in these circumstances a £10,000 repayment could be claimed by the Council. In addition an

extension to a property will increase the value whereas other types of adaptation including level access showers and through floor lifts may add no value or even reduce the value of a property.

- 5.7 The proposed policy has been circulated to all North Yorkshire Local Authorities as part of the Adaptations Alignment project which is currently being undertaken in the County. The idea is that if Local Authorities wish to exercise their discretion and bring in property charges then there will be a degree of consistency in policy application.
- 5.8 In addition to the policy set out in Appendix 1, it is also recommended that where a recipient of a Disabled Facilities Grant moves property within the district and is seeking further grant aid to install similar adaptations to those previously funded then any cost over £5000 will also be subject to a land charge (exemptions will not apply).

## **6.0 RISK ASSESSMENT**

- 6.1 The main risk is an appeal against the raising of a charge against a property. There will however be the ability to refer matters to the Cabinet Member and/or the Director of Community Services for a ruling. In cases where it is likely that a charge would be considered a letter would be sent to the applicant explaining the condition and giving them the opportunity to respond if they feel that they would be adversely affected by the placing of a charge on the property.
- 6.2 The repayment of grant should not have a detrimental effect on recipients, as they will have benefited from an increase in the size of their property and the value of it.

## **7.0 CONCLUSIONS**

- 7.1 The Government have issued a general consent to local authorities that enables them to impose a charge where the Disabled Facilities Grant exceeds £5000 and the applicant has an owner's interest in the property.
- 7.2 The Government has encouraged the recycling of housing assistance funding for some time and this is an extension of that approach.
- 7.3 In most circumstances the charge will only be triggered when a property is extended, as this is likely to enhance property value compared to other adaptations
- 7.4 The recycling of any funding will help support the provision of new adaptations and Government is likely to monitor whether Local Authorities have the necessary arrangements in place.
- 7.5 It is recommended that approval is given to introduce a policy to place a land charge on properties subject to a Disabled Facilities Grant in line the proposals set out in appendix 1 and paragraph 5.8 of this report.

## **Background Papers – None**

**OFFICER CONTACT:** : Please contact Jon Newbegin if you require any further information on the contents of this report. The officer can be contacted at the Department of Community Services, Springfield House, Kings Road, Harrogate, HG1 5NX, by telephone on 01423-556887 or by e-mail – [jon.newbegin@harrogate.gov.uk](mailto:jon.newbegin@harrogate.gov.uk)

**SUSTAINABILITY ASSESSMENT / POLICY CONSIDERATIONS**

		Implications are		
		Positive	Neutral	Negative
A	Economy		✓	
B	Environment		✓	
C	Social Equity			
i)	General		✓	
ii)	Customer Care / People with Disabilities		✓	
iii)	Health Implications		✓	
D	Crime and Disorder Implications		✓	

If all comments lie within the shaded areas, the proposal is sustainable.