

**OVERVIEW & SCRUTINY PANEL  
(SOCIAL WELL-BEING)  
OVERVIEW & SCRUTINY PANEL  
(ECONOMIC WELL-BEING)  
CABINET**

**4 OCTOBER 2011**

**6 OCTOBER 2011**

**20 OCTOBER 2011**

**DISABLED FACILITIES GRANTS AND CHARGES ON PROPERTIES  
(Report by the Head of Housing Services)**

**1. PURPOSE OF REPORT**

- 1.1 This report informs Cabinet of the Council's discretion to put charges on properties to recover certain costs of Disabled Facilities Grants (DFGs) and seeks a decision on whether or not charges should be placed on properties in certain circumstances.

**2. BACKGROUND INFORMATION**

- 2.1 The Housing Grants, Construction and Regeneration Act 1996 sets out the Council's duties to provide Disabled Facilities Grants (DFGs). The Council must award a DFG for work to achieve one or more of a set of purposes defined by statute. DFGs are awarded on the recommendation of an Occupational Therapist (OT) and funds aids and adaptations like ramps, stair lifts and level access showers. DFGs enable elderly and disabled people to live independently and therefore contribute towards the quality of life for vulnerable people. The Council must be satisfied that a DFG is necessary and appropriate and that to carry it out is reasonable and practicable.
- 2.2 An amendment to the legislation in 2008 gave local authorities the discretion to impose a limited charge on adapted properties of owner occupiers for repayment if their property is sold within ten years and if the DFG costs more than £5k. The maximum that can be reclaimed is capped at £10k.
- 2.3 Repayment can only be sought from owner occupiers as the charge cannot be levied on properties occupied by tenants, when the grant awarded is to the tenant or a member of their family. Normally, circa 50% of the workload is for tenants.
- 2.4 Charges could be placed on a property via the local land charges system or at the Land Registry. Investigations are ongoing into the most appropriate route in terms of processes, risks, costs and timescales.
- 2.5 When seeking repayment from grant recipients, the DFG General Consent Order 2008 requires the Council to consider:
- The extent to which repayment would result in hardship;
  - Whether disposal of the property is to enable the grant recipient to take up employment, or to change employment;
  - Whether the disposal is made for reasons connected to physical or mental health or well being; and

- Whether the disposal is made to enable the recipient of the grant to move house to give care; or to receive care.
- 2.6 Analysis of the DFGs completed in 2010/11 shows that 96 (34%) were to owner occupiers. Of these:
- 55 were below £5k so the charge would not apply.
  - 22 were valued between £5k and £10k where partial repayment could apply but the average within this band was £7k and the first £5k cannot be reclaimed.
  - 11 were valued £10k - £20k where the part of the grant over the initial £5k could be reclaimed. The average grant being £12k.
  - 8 were over £20k where the full £10k repayment could be sought.
- 2.7 The analysis above means that if all of the properties were sold within ten years of the DFG, based on completed DFGs in 2010/11, the Council may recover in the region of £200k. There is no evidence base to forecast how many properties will be sold.
- 2.8 Many of the works carried out do not add value to a property when it comes to the point of sale. In fact they detract from their value or marketability eg stair lifts, through floor lifts, replacing bath rooms with shower rooms, ramps, hoisting equipment etc. The works that would normally add value to a property would be garage and outbuilding conversions and extensions. These types of works would normally be in excess of £10k. Some garage conversions may also deter some purchasers if a garage is their priority.
- 2.9 If charges on properties were to be restricted to garage or outbuilding conversions, or extensions, then, from an analysis of the works in the pipeline, £95k of charges could be placed on properties (10 cases).

### **3. SUMMARY**

- 3.1 There is discretion to impose a charge on adapted properties of owner occupiers for repayment if their property is sold within ten years and if the DFG costs more than £5k. The maximum that can be reclaimed is capped at £10k.
- 3.2 It is thought that homeowners benefit from an increase in the capital value, and therefore resale value, of their home following the award of public money to carry out disabled facilities adaptations. However, in the absence of an adapted homes 'market place' it is thought that most adaptations do not add to the home's capital value with the exception of conversions of garages and outbuildings and extensions to homes. These adaptations usually cost in excess of £10k.
- 3.3 If charges are to be levied and repayment is challenged then due regard needs to be given by HDC to the circumstances described at paragraph 2.5.

## **4. RECOMMENDATION**

4.1 It is recommended that Cabinet:

- a) agree that charges be placed on properties where owner occupiers receive a disabled facilities grant in excess of £10,000 (excluding HIA fees) where the grant is for a garage or outbuilding conversion, or extension or any combination of these.
- b) subject to a) above, agree that the Head of Legal and Democratic Services together with the Head of Housing Services, in consultation with the Executive Member for Strategic Planning and Housing, determine the most effective and efficient procedure for placing charges on properties; and
- c) delegate authority to decide on seeking repayment, as set out at paragraph 2.5, to the Head of Housing Services.

## **BACKGROUND INFORMATION**

- Housing Grants, Construction and Regeneration Act 1996
- Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Condition relating to approval or payment of Grant) General Consent 2008
- Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008 (SI 2008/1189)
- Housing Renewal Grants (amendment) (England) Regulations 2008 (SI 2008/2290)

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