



Policy and Resources Committee – 5 December 2011

Recovering Disabled Facilities Grant Money

Purpose of report

For members to consider internal audit's recommendation for the inclusion of grant conditions on future mandatory Disabled Facilities Grants that will enable the Council to reclaim a proportion of the grant if the property is sold within 10 years.

Attachment(s)

Appendix A: Equality Impact Assessment

1.0 Background

- 1.1 East Northamptonshire's current Housing Grants Policy forms part of the Private Sector Housing Renewal Strategy produced by the Welland Partnership in 2003. The policy was produced following the introduction of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 that enabled Local Authorities more flexibility when determining how housing grants could be offered in their area. Whilst the Disabled Facilities Grants (DFGs) remained a mandatory grant, the remaining grants were all classed as discretionary and every local authority was required to produce a policy detailing how they would administer housing grants, this resulted in development of the Welland Strategy that our policy is made under.
- 1.2 Following this piece of legislation another change came into force in 2008 under the Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008. The consent allowed local authorities to set conditions on DFG grant approvals that could require a proportion of the grant awarded to be paid back to the Council if the property was sold within 10 years of completion. An audit recommendation has been made that consideration is given to applying conditions to every DFG approval that would in certain circumstances allow the recovery of some DFG funding.
- 1.3 In order to adopt grant conditions for recovering DFG monies, a change in the procedure for administering the DFG system is required and a revision of the Housing Grants Policy. Since the last policy was developed the format and templates for Council policies has also changed and the amended policy will be drafted using the new template.
- 1.4 At the 9th June 2011 Policy and Resources Committee (minute 34 refers) members approved the option of not providing funding for discretionary grants such as Home Repair Assistance for the foreseeable future due to budget constraints and that the funding allocated to DFGs would include an additional amount to be administered by the Case Review Panel. This decision also required the Housing Grants Policy to be amended to reflect the current grants available to residents within East Northamptonshire. The new Housing Grants Policy will be provided at the next Policy and Resources Committee for approval.

2.0 Disabled Facilities Grants and Land Charges

- 2.1 At present every approved DFG is registered as a local land charge by the Land Charges Department for a period of 5 years. The change in the legislation allows for the land charge to be logged for 10 years and if sold within those years a proportion of the grant awarded can be repaid to the council.

2.2 Grants awarded for DFGs vary from case to case and therefore there is no standard amount of grant awarded, in order to be consistent the order allows a local authority to reclaim grant funding if the amount was above £5,000 up to the maximum of £30,000. The maximum amount that can be repaid to the council is £10,000. For example if a property received a grant for £8,000 and the property was sold within 10 years they would be required to pay back £3,000 as the first £5,000 is not returnable. In a different situation a property may have been awarded the full grant amount of £30,000, if this property was sold within the 10 years that would be expected to pay the maximum back of £10,000.

2.3 Computerised records of DFG funding have been kept since the financial year of 2002-2003. The following table shows how many grants awarded were over the £5,000 level so that, had they been sold, a proportion of the grant award could have been returned to the council

Financial Year	Number of grants over £5K	Total number of grants awarded
2002 – 2003	12 (of which 6 fall between £5k - £6k)	34
2003 – 2004	15 (of which 5 fall between £5k - £6k)	42
2004 – 2005	18 (of which 2 fall between £5k - £6k)	38
2005 – 2006	20 (of which 9 fall between £5k - £6k)	59
2006 – 2007	23 (of which 7 fall between £5k - £6k)	59
2007 – 2008	25 (of which 8 fall between £5k - £6k)	65
2008 – 2009	22 (of which 1 fall between £5k - £6k)	72
2009 – 2010	49 (of which 9 fall between £5k - £6k)	133
2010 - 2011	16 (of which 2 fall between £5k - £6k)	92
Total	199 (35% of total grants)	564

2.4 In some authority areas a decision has been taken not to require grants to be paid back if they fall between £5,000 and £6,000, this is because you could have a grant of £5,111 awarded and the property is then sold, theoretically requiring the owner to pay £111 back to the Council, which could cost more in staff resources to recover.

2.5 It is recommended that, rather than setting a different cut-off figure than what is in the order, the grants policy and conditions contain an exemption clause, whereby the Head of Environmental Services can make a decision regarding the repayment of grant funding. This would mean that, in cases where the grant amount is a small amount over £5k, the decision can be taken not to use officer time to recover this money as it is not cost effective to do so.

2.6 The introduction of a condition requiring repayment of a grant will lead to additional administrative work. The additional cost is not known at this time however it should be taken into account when determining whether a grant should be repaid or not.

2.7 It is not possible to present to members with the number of properties that have come up for sale in the last five years and therefore been subject to a land search owing to the number of DFG applications completed and staff resources available.

2.8 It is our intention to continue to notify Land Charges of every property that receives a DFG from the Council regardless of the grant amount and that each notification would remain on the system for the period of 10 years. Should a property receive more than one grant that each may be under the £5k limit, ensuring that they are all logged would mean that if the property was sold within that period a proportion of the funding could be requested to be returned because the accumulation of more than one grant took them over the £5k threshold.

2.9 Another option to be considered is the introduction of a sliding scale for the repayment of any grant. For example a property that receives the full grant of £30,000 and is liable for the maximum of £10,000 to be repaid if sold within 10 years should be required to pay back the full £10,000 if the property was sold the year after works are

completed, however a property that is sold just before the 10 years or closer to that point should not be expected to return the full amount. A sliding scale is adopted by some authorities as a way of remaining fair in imposing the conditions of the grant.

3.0 Grant conditions

3.1 In order for the new system to come into place, following approval from members all future DFG approvals will be subject to grant conditions. These grant conditions will detail the terms of the grant and the requirement for repayment if the property is sold. Before requiring repayment of a grant, local authorities are required to take into account:-

1. the extent to which the recipient of the grant would suffer financial hardship were they be required to repay the grant.
2. whether the disposal of the premises is to enable the recipient of the grant to take up employment, or to change the location of their employment.
3. whether the disposal is made for reasons connected to the physical or mental health or well-being of the grant recipient.
4. 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 is intending to provide.

4.0 Grant repayments

4.1 In order for grant repayments to be dealt with fairly it is suggested that the new Housing Grants Policy proposes that all properties that meet all of the tests for the grant to be repaid should be required to repay the appropriate amount of grant funding. However as previously mentioned there are circumstances listed as “Exempt Disposals” provided within the proposed Housing Grants Policy in Appendix A taken directly from the legislation. If a property falls within these criteria the grant funding would not be returned to the Council.

4.2 As mentioned previously the period that charges can remain on the land charges registry has increased to ten years. The new grants policy and procedure will be in accordance with this timescale.

4.4 Option 1

That the repayment of the money will be subject to the set provisions in the legislation of a minimum of £5,000 and a maximum of £10,000 regardless of the length of time the grant was issued and all sums will be collected even those repayments that are less than £1,000.

Example: Grant awarded of £5500, property sold within 10 years, amount to repay £500

4.5 Option 2

The repayment of the money will be subject to the set provisions in the legislation of a minimum of £5,000 and a maximum of £10,000 regardless of the length of time the grant was issued, however the exemption clause within the policy shall be adopted and the Head of Environmental Services will have delegated powers to determine if the amount to be repaid is in the interests of the Council to collect considering the officer time it will take to recover. This would be up to a maximum of £1,000, amounts over £6,000 will all be recovered.

Example 1: Grant awarded of £5500, property sold within 10 years, decision taken by Head of Environmental Services not to request repayment of £500

Example 2: Grant awarded of £6,100, property sold within 10 years, amount to repay £1,100.

4.6 **Option 3**

The repayment of the money will be subject to the set provisions in the legislation of a minimum of £5,000 and a maximum of £10,000, however the amount repayable would be decreased over the length of time since the works were completed. The Head of Environmental Services would have discretion not to seek repayment if the remainder at the time of disposals was less than £1,000.

Example: Grant awarded of £30,000, maximum amount that can be returned of £10,000 property sold 9 years later amount to be repaid £1,000.

5.0 **Consultation undertaken**

5.1 Following the decision of this Committee the draft Housing Grants Policy will go out for consultation to the following groups before seeking approval for adoption from Policy and Resources Committee:

- Northamptonshire County Council Occupation Health Team
- East Northamptonshire and Borough Council of Wellingborough Care and Repair Service managed by Spire Homes
- Legal Services
- Serve
- Northamptonshire Centre for Independent Living

6.0 **Important issues to consider**

6.1 Whilst there is an ability to reclaim some of the grant money awarded there is no guarantee that adding grant conditions to any approval will generate a significant return. Any return would need to be returned to the DFG budget to help subsidise any spend. Providing grant conditions on any approval may reduce the uptake of the grant, it will also add to officer time should the money need to be returned due to a breach in conditions. Having discussed this proposal with South Northamptonshire Council who imposed these conditions at the time they came into force in 2008, no grant money has been returned to the Council to date. As a service we do not envisage a significant amount of grant monies being returned to the Council.

7.0 **Equality and Diversity Implications**

7.1 An Equality Impact Assessment (EIA) has been completed which showed no impacts and can be found in Appendix A

8.0 **Legal Implications**

8.1 In order to ensure that any proposed grant conditions are appropriately worded they will be provided to Legal Services for comment. Legal Services may be required should a party default on paying the Council the required amount following the breach of a grant condition.

9.0 **Risk Management**

9.1 Proposing grant conditions could affect the up take of grants and by imposing conditions on the repayment of a grant some applicants may refuse the offer of assistance. Whilst this is a risk we do not envisage that the uptake for DFG funding will decrease and the majority would still take up the offer of assistance to improve their quality of life at the time.

9.2 The introduction of the Housing Grants Policy is a legal requirement and any discretionary elements that the Council have approved to be provided cannot be implemented without the amendment of the Housing Grants Policy. The Council cannot recover any DFG money in the future until the proposal has been agreed by

members and the policy updated.

10.0 Financial Implications

10.1 Reclaiming some of the DFG grant funding would assist in the budget pressures facing the DFG capital budget, however it is not a funding source that can be relied upon. Any funding that is returned would need to be returned to the DFG capital budget to assist with any pressures in that financial year. It is not envisaged that the uptake of DFG funding by members of the public will decrease with the introduction of grant conditions and therefore the demand overall for DFGs is not predicted to decrease.

11.0 Corporate Outcomes

11.1 Good quality of life

DFGs provide vital funding to residents within the district to make essential adaptations to their property to enable them to continue to live independently and to protect them from harm as a result of a disability or illness. DFGs can provide simple adaptations such as stair lifts and level access showers to ground floor extensions, and hoists. The implementation of grant conditions and the amendment to the Housing Grants Policy aims to ensure that this process is clearer to residents and will potentially allow funding to be returned to the Council to enable greater support to other residents.

11.2 Good value for money

The adoption of grant conditions for the repayment of some grant funding awarded ensures that wherever possible money can be recouped by the Council to assist in the demands on the DFG budget.

12.0 Recommendations

12.1 Members consider the introduction of grant conditions on mandatory Disabled Facilities Grants provided by the Council that would, in certain circumstances, require a proportion of the funding to be repaid to the Council. *(Reason – For members to decide if the adoption of grant repayments is beneficial to the Council)*

12.2 That members consider which if any repayment options to approve as detailed in section 4 *(Reason – For members to decide the most appropriate repayment policy to adopt)*

Legal	Power: Housing Grants, Construction and Regeneration Act 1996: Disabled Facilities Grant (Conditions relating to approval or payment of Grant) General Consent 2008				
	Other considerations:				
Background Papers:					
Person Originating Report: Jenny Walker, Environmental Protection Manager					
Date: 20 November 2011					
CFO		MO		CX	

(Committee Report Normal Rev. 22)



East
Northamptonshire
Council

Appendix A EIA Initial Screening Form – service or function

1. Name of Service or Function:	
2. Name and Job title / role of person completing Initial Screening:	Jenny Walker
3. What is the main purpose of the Service or Function?	Introduction of grant conditions for Disabled Facilities Grants
4. List the main activities of the Service or Function:	Mandatory provision of disabled facilities grants to vulnerable residents within the district to enable them to use essential facilities in their home. The introduction of grant conditions will allow, in certain circumstances, a proportion of the grant money to be recovered should the property be sold within 10 years of the grant being awarded.
5. Who are the main beneficiaries of the Service or Function?	People with physical disabilities to enable them to remain in their own home. The inclusion of grant conditions could result in some monies being returned to the Council
6. How is the success of the Service or Function measured?	In team plan turnaround times are measured for non complex grants, complex ones are given to care and repair to do within 12 months. The allocation of funding is monitored and additional funds are bid for. Meet legal requirements for determination.
7. Are equality monitoring systems in place?	No <i>(If yes give details)</i>

8. Use the following table to indicate using a ✓:

- a) Where you think that the Service or Function could have a positive impact on any of the groups or contribute to promoting equality of opportunity or improving relations within equality groups.
- b) Where you think that the Service or Function could have a negative impact on any of the equality groups i.e. it could disadvantage them.
- c) Where you think that the Service or Function could have a neutral impact on any of the equality group i.e. no impact

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
Gender:				
Women/Girls			✓	
Men/Boys			✓	
Transgender people			✓	
Sexual Orientation:				
Lesbians, gay men and bisexuals			✓	
Race/Ethnicity:				
White British people			✓	
White non-British people (including Irish people)			✓	
Asian or Asian British people			✓	
Black or Black British people			✓	
People of mixed heritage			✓	
Chinese people			✓	
Travellers (Gypsy/Roma/Irish heritage)			✓	
People from other ethnic groups			✓	

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
People who do not have English as their first language		✓		Majority of information is in English, and face to face communication is in English. Officers would need to ensure that the applicant full understands the grant conditions and requirements, seeking assistance from a translator where necessary.
Disability:				
Physical impairment, e.g mobility issues which mean using a wheelchair or crutches.			✓	
Sensory impairment, e.g blind/having a serious visual impairment, deaf/having a serious hearing impairment.			✓	
Mental health condition, e.g depression or schizophrenia			✓	
Learning disability/difficulty, e.g. Down's syndrome or dyslexia, or cognitive impairment such as autistic spectrum disorder		✓		Understanding of grant conditions and what this means should their circumstances change would need to be explained as conditions would be in writing with application forms.
Long-standing illness or health condition, e.g. cancer, HIV. Diabetes, chronic heart disease or epilepsy			✓	
Other health problems or impairments (<i>please specify if appropriate</i>)			✓	
Age:				
Older People (60+)			✓	

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
Children and Young People (see guidance for definition)			✓	
Religion/Belief:				
Christian			✓	
Buddhist			✓	
Hindu			✓	
Jewish			✓	
Muslim			✓	
Sikh			✓	
Other religion (including holding no belief)			✓	
Other Potentially Affected Groups				
Rural Isolation - People who live in rural areas e.g isolated geographically, lack of internet access			✓	

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
<p>Socio-economic Exclusion – e.g. people who are on benefits, have low educational attainment, single parents, people living in poor quality housing, people who have poor access to services, the unemployed or any combination of these and the other protected strands</p>		✓		<p>Visit made to each applicant to complete the forms and explain the grant conditions, to ensure that they understand that a proportion of the grant may be recovered if the grant conditions are breached. There are a number of exemptions where the grant funding cannot be recovered the council must consider :</p> <p>The extent to which the recipient of the grant would suffer financial hardship were they be required to repay the grant.</p> <p>Whether the disposal of the premises is to enable the recipient of the grant to take up employment, or to change the location of their employment.</p> <p>Whether the disposal is made for reasons connected to the physical or mental health or well-being of the grant recipient.</p> <p>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 is intending to provide.</p>
<p>Any other potentially affected groups (<i>please specify</i>)</p>			✓	
<p>9. If you have indicated that there is a negative impact on any group:</p>				

Equality Group	Positive Impact	Negative Impact	Neutral Impact	Reason
a) Is that impact against legislation?	Yes	No		
b) What is the level of impact?	High	Low		
10. Could you minimise or remove any negative impact that is of low significance?	<p>How?</p> <p>Could provide translated information. People assist in filling out forms such as OT's, Officers or family members also be present and understand grant condition changes and what it means</p> <p>Information available on website.</p> <p>Exemption criteria provided within the legislation as detailed in Socio Economic Exclusion</p>			
11. Could you improve a positive impact of the Service or Function?	<p>Yes if more funding streams were available could assist more people and have quicker response times.</p>			
12. If there is no evidence that the Service or Function promotes equality of opportunity or improved relations, could it be adapted so that it does?	<p>Although the grant conditions themselves do not promote equality of opportunity or improved relations, the actual DFGs do promote equality of opportunity because they allow people to remain in their own homes.</p>			
Head of Service signature				
Date of Initial Screening:	25th October 2011			