

Decision Maker: Portfolio Holder for Care Services

For pre-scrutiny by the Care Services Policy Development and Scrutiny Committee

Date: 19th June 2012

Decision Type: Non-Urgent Non-Executive Non-Key

Title: PROPOSED CHANGES TO THE DISABLED FACILITIES GRANTS (DFG) POLICY

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Chief Officer: Nigel Davies, Director of Environmental Services

Ward: All

1. Reason for report

To seek agreement to charge interest on any discretionary funding provided to assist with adaptations for disabled clients. Such charges will be registered as a legal charge on the affected property; any interest will be repaid along with the grant sum upon sale or transfer of the property.

2. **RECOMMENDATION**

The Portfolio Holder for Care Services is asked to agree that interest is charged for any discretionary grants provided to assist with adaptations for the disabled as set out in the body of the report.

Corporate Policy

1. Policy Status: Existing Policy
 2. BBB Priority: Supporting Independence
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Financial

1. Cost of proposal: Not Applicable
 2. Ongoing costs: Not Applicable
 3. Budget head/performance centre: £1,120,000
 4. Total current budget for this head: £1,120,000
 5. Source of funding: Disabled Facilities Grant (DFG) budget within capital programme 2012/13
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Staff

1. Number of staff (current and additional): 3.6 FTE Grant Officers
 2. If from existing staff resources, number of staff hours: Up to 10 – 15 hours pa (based on 3 cases)
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Legal

1. Legal Requirement: Non-Statutory - Government Guidance:
 2. Call-in: Applicable:
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Customer Impact

1. Estimated number of users/beneficiaries (current and projected): Estimated up to 5 cases p.a.
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Ward Councillor Views

1. Have Ward Councillors been asked for comments? Not Applicable
2. Summary of Ward Councillors comments:

3. COMMENTARY

- 3.1 Social Services authorities have a statutory duty under Section 2(1)(e) of the Chronically Sick and Disabled Persons Act 1970 to provide assistance to disabled persons needing home adaptations and other facilities designed to secure for them greater safety, comfort and convenience.
- 3.2 The main funding route in this instance is via a Disabled Facilities Grant (DFG). Discretionary grants may be given where the cost of the works deemed necessary to meet the needs of a disabled person exceed £30K. The discretionary grant may be given for the balance of the cost of the works. The main purpose for which mandatory grant is for access and provision: this includes access into and around the building, access to essential amenities and facilities within the dwelling and the provision of certain facilities within the dwelling. Grants are means tested except in relation to the provision of an adaptation for those under 19 years of age.
- 3.3 A panel of senior officers (DFG Panel) scrutinise all applications where the cost of works is likely to exceed £7500 and also cases where discretionary grant are applied for. Cases above the mandatory maximum are rare, but costs can be significant and typically arise where extensions and rearrangement of a property along with specialist equipment are deemed necessary. Discretionary funding can also be used to assist with the cost of moving to a more suitable property.

Table 1 below indicates the level of discretionary funding provided over the last 5 years.

Financial Year	Total Discretionary Grant paid to assist with adaptations
	£,000
08/09	66
09/10	117
10/11	146
11/12	0
12/13*	>60

*Agreed by panel, but not yet paid.

- 3.4 Where discretionary funding is sought then the Local Authority may attach conditions to the funding and historically repayment of such funding upon sale of the property is considered sufficient. Interest can be charged on any discretionary assistance provided and in the current financial climate, and also because it is discretionary.

4. POLICY IMPLICATIONS

- 4.1 The **Policy for the Provision of Assistance for the Repair, Adaptation or Improvement of Private Sector Housing (2011)** must be published and a revision to the existing policy will therefore be required if the proposal is accepted.

5. FINANCIAL IMPLICATIONS

- 5.1 Any interest charged on the discretionary element of the grant will be calculated annually and a statement provided to the owner. The amount owing will need to be calculated having regard to the base rate throughout the loan period. The proposed rate is 1% above base rate.
- 5.2 The funding available for discretionary grants is shown in the table below:

Resources available for discretionary loans/grants for 2012/13

	2012/13
	£'000
Revised Capital Programme	1120
Less Mandatory Grants	-710
Less reduction in revenue contribution to DFG	-68
Balance	342
C/F 2011/12 underspends (subject to Executive approval)	233
Available Discretionary Grant	575

6. LEGAL IMPLICATIONS

- 6.1 The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 sets out our discretionary powers in this matter and allows discretionary funding with interest to be charged.
- 6.2 Details of any funding arrangements should be set out in a Policy approved by Members and which is published. The current Policy for the Provision of Assistance for the Repair, Adaptation or Improvement of Private Sector Housing (2011) will therefore need to be revised should members agree this change.
- 6.3 Although termed a “grant” the discretionary funding is repayable and may attract interest. The Council must ensure the borrower has received appropriate advice and guidance before entering into the loan and that they have the ability to repay the loan. The Council has a limited power to impose a legal charge on the property to secure repayment of DFGs.
- 6.4 Limited property charges relating to mandatory DFG’s for owner occupied properties is £30,000 and is recorded on the Land Charge Register where the cost of the adaptation exceeds £5,000. However, the maximum charge that can be recorded is only £10,000. The local housing authority may demand the repayment by the recipient of such part of the grant that exceeds £5000 (but may not demand an amount in excess of £10,000) if the recipient disposes (whether by sale, assignment, transfer or otherwise) of the premises in respect of which the grant was given within 10 years of the certified date.
- 6.5 Charges last for 10 years, but in all other respects local authorities will have complete discretion as to how they administer charges on adapted properties.
- 6.6 In relation to any discretionary funding the entire amount plus interest will be set aside as a charge and can be recovered upon sale or transfer of the property.

Non-Applicable Sections:	Personnel Implications
Background Documents: (Access via Contact Officer)	Policy for the Provision of Assistance for the Repair, Adaptation or Improvement of Private Sector Housing (2011)