

Appendix 2 Summary of Changes

Section 2.0 Adaptations to properties owned by Registered Providers (Housing Associations)

The Housing Grants, Construction & Regeneration Act 1996 states that anyone can apply for a DFG regardless of tenure. However, good practice suggests that registered providers should build the provision of adaptations into their business plan.

Current Policy:

The current policy states that where a tenant of a registered provider requests a DFG to adapt their home, the Council shall determine whether the provider has made provision in its business plan for the adaptation of its properties. If not, the Council should encourage the provider to make such financial support available.

Revised Policy:

The revised policy states at 2.5, that the provider will be asked to make a 50% contribution towards the cost of the works (excluding fees).

The Council has requested this contribution over the last 12 months and the majority of providers have agreed. This has reduced the amount of grant funding provided to tenants of registered providers, allowing more grants to be issued overall.

Recommendation:

It is recommended that the suggested amendment be accepted.

Section 21.0 Agency Service

The Council offers an Agency Service to assist applicants in arranging for the works to be carried out. In addition to the general administration tasks, the Technical Officer will; survey the property, produce a schedule of works, arrange for plans to be drawn up as required, tender for the work, carry out regular inspections as the work progresses and on completion.

The Council is allowed to charge a fee for this service and the income generated assists in supporting the costs of the Private Sector Housing Team.

Current Policy:

The agency fee is currently set at 10% of the total cost of the works plus VAT (subject to a minimum charge of £250).

Revised Policy:

The revised policy at 21.1 suggests increasing the fee to 12% of the total cost of the works plus VAT (subject to a minimum charge of £300).

The table below shows the amount of increased income a fee of 12% would have attracted over the last 3 financial years:

Year	10%	12%	Difference
11/12	£71,323.34	£85,588.01	+£14,264.67
12/13	£56,581.20	£67,897.44	+£11,316.24
13/14	£50,619.19	£60,743.03	+£10,123.84

The benefit of increasing the fee is that it will generate additional revenue income to help support the staffing costs associated with administering a DFG scheme.

An increase will also bring the fee in line with that allowed where the applicant chooses to engage a private agent.

The negative effect of the increase will be that it will increase the grant amount awarded to the applicant as the fees are allowed to be recovered through the grant. This will reduce the amount of capital available thus reducing the number of grants available. It also increases the likelihood of the applicant having to repay some of the grant if the property is sold within 10 years as any amount over £5,000 is recoverable. An increased agency fee may take more grants over the £5,000 threshold.

Section 22.0 Private Agents

Current Policy:

Applicants are free to use a private agent to manage the works and the cost of this can be included in the grant. The current policy allows a private agent to claim up to 12% (plus VAT) of the total cost of the works.

Revised Policy:

The revised policy at 22.3 leaves the maximum amount at 12%, in line with the increased fee recommended to be charged by the Council's Agency Service.

Recommendation:

Should the decision be to leave the Council's agency fee at 10%, it is recommended that the fee allowed for private agents is reduced from 12% to 10% to ensure equity.

Section 29.0 Withdrawal of application prior to approval where costs have been incurred

The Housing Grants, Construction & Regeneration Act 1996 allows grant monies to be recovered in certain circumstances once the grant has been approved but is silent on recovering any costs incurred if the applicant withdraws their application prior to approval.

An example of this would be where a grant application involves major works such as structural alterations or an extension. Fees including architects and structural engineers fees are routinely incurred as the cost of the proposed works cannot be known unless plans have been drawn and passed.

Current Policy:

The current policy is silent on the issue of recovering fees where the applicant withdraws the application, however, where the applicant has elected to use the Council's Agency Service, the agreement signed states that where the applicant decides not to pursue their application they shall reimburse the Council for any costs incurred in preparing plans for building regulations or planning approval and obtaining specialist advice.

Although in the agreement, this clause has not been acted upon in previous years.

Revised Policy:

At section 29.0, the new policy provides for these fees to be recovered from all applicants irrespective of whether they use the Council's Agency Service.

Where the applicant has elected to use a private agent and that agent has incurred the costs, the agent shall recover the monies directly from the applicant, not the Council.

Recommendation:

It is recommended that the Council recovers any fees incurred prior to the grant approval where the applicant decides not to proceed with the grant application.

The number of clients withdrawing their application where costs have been incurred is small but if architects fees have been incurred, this can be a loss to the Council of up to £1,500.

Section 30 & 31 Change of circumstances after approval

Where the grant application has been approved; but before the works have been completed;

- a) the works cease to meet the disabled persons needs,
- b) the disabled person ceased to occupy the dwelling, or ceases to intend to occupy the dwelling
- c) the disabled person dies
- d) Where grant funding has been approved but before the works have been completed, the applicant ceased to be eligible
- e) Where the disability was caused by an accident and compensation has been paid
- f) Where the grant issued was over £5,000 and the property is sold within 10 years of the works being completed (a maximum of £10,000 can be recovered)

The Council can decide that:

- no grant shall be paid (including any further payments if some payments have already been made); or
- the relevant works should be completed and the grant or an appropriate proportion of it paid; or
- the application should be re-determined in light of the new circumstances

Current Policy:

Under the current policy, for circumstances a and b above, the Council would release grant funding for the work completed to date but would not recover the amount from the applicant.

For circumstance c, the Council would complete the work and recover the cost from the estate.

For circumstance d, the Council would recover any grant monies already paid.

For circumstance e, the Council would look to recover any grant monies from the compensation paid to the applicant.

Revised Policy:

It is recommended in all cases that any grant funding issued is recovered where the works are unable to be completed due to one of the circumstances above. The discretion to waive repayment in exceptional cases will remain.