

## **REVIEW OF DISCRETIONARY GRANTS POLICY**

<b>Report of the:</b>	Head of Housing & Community
<b>Contact:</b>	Rachel Jackson
<b>Urgent Decision?(yes/no)</b>	No
<b>If yes, reason urgent decision required:</b>	n/a
<b>Annexes/Appendices (attached):</b>	None
<b>Other available papers (not attached):</b>	Private Sector Housing Grants Assistance Policy

### **Report summary**

The Committee approved a new Private Sector Housing Grants Assistance Policy in June 2017 that included discretionary grants. Due to administrative burdens which have been realised since the launch of the scheme, Officers are requesting an amendment to the Policy to remove the imposition of charges on discretionary works under £5,000. Removal of the charge will allow for cases to be progressed in a timely manner, and the most vulnerable residents would receive assistance without unnecessary delay.

The Committee is asked to determine if the request to amend the Policy should be approved.

### **Recommendation (s)**

- (1) That the Committee agrees to amend the Private Sector Housing Grants Assistance Policy (Discretionary Grants Programme) to remove the legal charge on grants under the value of £5,000.

### **1 Implications for the Council's Key Priorities, Service Plans and Sustainable Community Strategy**

- 1.1 The recommendation in this report relates to the Council's Key Priorities of "Managing our Resources" and "Supporting our Community".

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### 2 Background

- 2.1 In June 2017, this Committee approved a new Discretionary Grant programme which is funded and made possible through flexibility in the grant that the Council receives through the Better Care Fund. This enables the delivery of the Disabled Facilities Grant (DFG) programme.
- 2.2 At that time Officers produced a Policy which sought to introduce a wide range of discretionary grants to assist vulnerable residents, and that where grants are awarded, then these would be subject to a property charge secured against the property as is allowed for under the Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 ("RRO"). However, since the launch of the scheme it has become apparent that as the works are discretionary (albeit still funded by the mandatory programme) then it is not a simple process of levying a land charge, but it is necessary to impose a legal property charge.
- 2.3 This process is long, with a number of forms having to be completed, signatures being required to be witnessed, the applicant being advised to take independent financial advice, and our Legal Services team having to submit a formal application. The process may be seen as quite alarming for a vulnerable resident, and could perhaps take weeks to complete.
- 2.4 Whilst there is of course a need to protect public funds, the process means that vulnerable residents requiring a "quick win" grant (such as victims of crime needing door locks or other security measures, or a resident living without hot water and heating and in need of a boiler) would have to wait weeks for the works to be completed, rather than being able to have a completion in a matter of days. The intention of the discretionary grant programme however, is to help our vulnerable residents in urgent need. It is therefore proposed that the policy be amended to remove the property charge for works under £5,000 which would allow officers to process cases much more quickly.
- 2.5 For works over £5,000, the grant would be subject to the legal charge. The charge may only be applied to privately owned and occupied properties.
- 2.6 Whilst it may appear that there is a loss of potential revenue to the Council by modifying the policy, the following factors should be taken into account:
  - 2.6.1 The "pay back" of grants under the process is not a guarantee, as this only applies for 10 years after the date of completion of the works (for example, the grant will not be repaid if the grant recipient lives beyond this time, or has dependants remaining in their home after this period).

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- 2.6.2 The lengthy process of imposing a legal charge is not an efficient use of officer time, and due to the administrative burden would only create a waiting list of applications and deferment of DFG caseloads.
- 2.6.3 The administrative processes that are currently required under the policy should not be to the detriment of vulnerable residents who the Council is able to assist.
- 2.6.4 The intention of the discretionary grant should not be seen as a potential income stream (although fees are earned for all cases), but a method of assisting our residents.
- 2.6.5 The policy would then be aligned with the DFG programme where works over £5,000 are subject to charge
- 2.7 It should be noted that in all cases, the grants are subject to an agency fee for works undertaken by the Council – currently 7.5% of the total works, which does generate revenue.

### 3 Proposals

- 3.1 That the Committee determines if it agrees to the amendment to the Policy so that only works covered by the discretionary grants policy in excess of £5,000 be subject to the legal charge.

### 4 Financial and Manpower Implications

- 4.1 Keeping the charge on works below £5,000 would cause significant pressures on the Council's resources. There is very limited staffing within the Housing Grants Team, whose primary purpose is to deliver the mandatory DFG programme. By reducing the administrative processes, this would enable works to be completed in a timely manner and less burden on the existing workload. Retaining the charge would result in a waiting list for clients, and pressures on the Team.
- 4.2 The Discretionary Grants programme will only be available whilst the Better Care Fund grant provides funds in excess of the total needed for delivery of the mandatory DFG.
- 4.3 **Chief Finance Officer's comments:** As income from charges on property is erratic and contingent upon unpredictable future events it is not budgeted, so not applying legal charges on works under £5,000 would not result in negative budget implications.

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- 4.4 However, some actual future repayments could be lost to the Council, if properties were sold within ten years of completion of works without a charge being in place. Of the 13 cases completed since approval of the policy in June 2017, four have been for owner-occupiers and thereby subject to a charge. All were all for urgent boiler works at an average cost of £2,000 each. As the first £1,000 cost is ignored, if all four properties were sold within the next ten years, £4,000 could become repayable to the Council.
- 4.5 The Council charges fees of 7.5% on all completed works, irrespective of value.

## 5 Legal Implications (including implications for matters relating to equality)

- 5.1 ***Monitoring Officer's comments:*** The RRO gives powers to local authorities to provide assistance to any person in order to adapt, improve and repair living accommodation. Assistance can be in any form and may either be unconditional or subject to conditions. Where assistance is provided under the RRO, a legal charge can be registered at the Land Registry to secure repayment of the assistance given if the property is sold within a prescribed time. All owners will need to sign the legal charge document and the legal charge should be registered at the Land Registry prior to any assistance being provided in order to protect recovery of the grant. Legal Services is working with the Grants team to prepare a legal charge.

## 6 Sustainability Policy and Community Safety Implications

- 6.1 None.

## 7 Partnerships

- 7.1 The Housing Grants Team work closely with Surrey County Council, Surrey Police, Age UK and other agencies to ensure the most vulnerable receive assistance.

## 8 Risk Assessment

- 8.1 The revised policy will ensure we have a consistent approach when administering grants under the Better Care Fund grant allocation.

## 9 Conclusion and Recommendations

- 9.1 The Committee is recommended to agree to the amendment to the Policy so that only works in excess of £5,000 be subject to the legal charge in line with the DFG.

**Ward(s) Affected:** (All Wards);