
 HOUSING GRANTS, CONSTRUCTION AND REGENERATION ACT 1996

Summary of Grant Conditions

This is a summary only of the legislation relating to the conditions applying to grants made by the Council under the Housing Grants, Construction and Regeneration Act 1996 and is intended as a general guide, not a complete statement of the law. For more detailed information, you should refer to the Act and to any relevant Regulations made under the Act.

Carrying out and Completion of works (*applicable to all grants*)

In approving an application for a grant the Council may require as a condition of the grant that the eligible works are carried out in accordance with any specification they decide to impose.

2. It is a condition of grant that the eligible works are carried out within twelve months from the date of approval of the application or, where the delayed payment of a mandatory grant under section 36 applies, from the date specified in the Council's notification of decision. This period may, however, be extended by the Council if they think fit, particularly where they are satisfied that the eligible works cannot be, or could not have been, carried out without carrying out other works which could not have been reasonably foreseen when the application was made. If an applicant requires additional time a request must be made in writing before the end of the 12 month period, otherwise the right to a grant cannot be guaranteed.

3. The payment of a grant or part of a grant is conditional on the eligible works being carried out to the satisfaction of the Council and the Council's being provided with an acceptable invoice, demand or receipt for payment for the works and any preliminary or ancillary services or charges. An invoice, demand or receipt will not be acceptable if it is given by the applicant or a member of the applicant's family.

An applicant should take reasonable steps to pursue any relevant insurance or legal claim and to repay the grant, so far as is appropriate, out of the proceeds of such a claim. If, after a grant has been approved, an applicant is successful in (a) an insurance claim or legal claim against another person in respect of damage to the premises to which the grant relates, or (b) a legal claim for damages in which the costs of the works to the premises is part of the claim, the applicant should notify the Council of that fact and will be required to repay the grant, so far as is appropriate, out of the proceeds of the claim.

4. Unless the Council direct otherwise the eligible works must be carried out by the contractor whose estimate accompanied the application, or where two or more estimates were submitted, by one of those contractors.

Availability for letting

In a case where a certificate of intended letting accompanies the application,

1. It is a condition of the grant that, throughout the grant condition period (that is five years beginning with the date on which the Council certifies the eligible works to have been completed to their satisfaction, or such other period as the Secretary of State may specify, or as may be imposed by the Council) the dwelling will be let or available for letting as a residence, and not for a holiday, on a tenancy which is not a long tenancy (except in the case of a disabled facilities grant), by the

owner for the time being of the dwelling, to a person who is not connected with him (generally speaking, this means not a member of his family).

2. It is also a condition of the grant that the Council may by written notice require the owner to provide within 21 days a statement showing how the property is occupied.

3. The grant conditions remain in force throughout the initial period and are binding not only on the person who provides the certificate but also on any subsequent owner of the dwelling (except for a housing authority or a registered social landlord).

4. In the event of a breach of the grant conditions, the Council may demand the repayment of the grant with interest, but they do have the discretion either not to demand repayment, or to require payment of less than the full amount.

5. It is a further condition of the grant that if, either after any installment of grant has been paid and before the certified date, or during the grant condition period, as the case may be, an owner makes a relevant disposal (other than an exempt disposal) of the whole or any part of the premises to which the application applied he is obliged to repay to the Council on demand the entire amount of the grant. An owner is required to notify the Council forthwith in writing of his intention to make a relevant disposal and to give the Council any information reasonably requested by them in that connection.

Notes:

(i) In a case where personal representatives or trustees are the owner, the letting must not be to a person who has a beneficial interest under the will, intestacy or trust, in the property or the proceeds of its sale.

(ii) 'Relevant disposal' means the sale of the freehold or assignment of the lease, or the grant of a long lease (one of over 21 years, otherwise than at a rack rent).

(iii) 'Exempt disposal' means a disposal of the whole or any part of the premises:

(a) to the owner or one of the joint owners of the dwelling or to a wife or husband or former wife or husband of one of the joint owners, or a member of that person's family, or, in the case of a company, to an associated company;

(b) under a will or inheritance on a death;

(c) by Court order in the course of a domestic breakdown;

(d) compulsorily, or by agreement, to a public body with compulsory purchase powers;

(e) of land which is "included land" under section 184 of the Housing Act 1985;

(f) of a defective house under part XVI of the Housing Act 1985 and the owner is exercising his entitlement to assistance by way of repurchase;

(g) by way of enfranchisement or lease extension under Part I of the Leasehold Reform Act 1967;

(h) in pursuance of an obligation arising under Chapter I or II of Part I of the Leasehold Reform, Housing and Urban Development Act 1993;

(i) on the exercise of a right of first refusal under Part I of the Landlord and Tenant Act 1987 or in accordance with an acquisition order under Part III of that Act;

(j) in exercise of the right to buy under Part V of the Housing Act 1985 or the right under section 16 of that Act of the tenant of a registered social landlord to acquire the dwelling;

(k) where the person making the disposal is aged at least 70, the disposal is to provide annuity income and the person concerned is entitled to continue to occupy the premises as his or her only or main residence;

(l) where the disposal is of any other description specified by order of the Secretary of State.

Disabled Facilities Grants

Disabled facilities grants are subject to the same general conditions regarding completion of works, payment and conditions of occupations as renovation grants; however, the provisions regarding possible repayment of grant in the event of a disposal of the property do not apply. No conditions apply in respect of a disabled facilities grant for works to the common parts of a building.

Additional conditions and recovery of grant at the Council's discretion

The Secretary of State has given general consent to Councils to impose additional conditions or to waive repayment of grant under certain circumstances. This consent includes the following matters— A Council may impose conditions relating to the giving of notice to them of any relevant disposal, the nomination of tenants to the property, the recovery of specialised equipment for the disabled, the insurance of grant-aided property and the repair of grant-aided property.

*[The Council imposes the following conditions:

[1. The applicant must notify the authority of his or her intention to make a relevant disposal of any dwelling, building or house in multiple occupation and shall furnish to the Council any information reasonably required by them in connection with such notification.]

[2. Where the applicant has an insurable interest in the property, he or she shall arrange and maintain in effect adequate insurance of the property throughout the grant condition period.]

[3. Where the applicant has a duty or power to carry out works of repair to the grant aided property, the applicant shall ensure that, to the extent that such duty or power allows, the property remains fit for human habitation throughout the grant period.]]

In the event of a breach of any of the conditions set out above the Council may demand repayment from the applicant of a sum equal to the amount of grant paid or, as the case may be, any instalment of grant paid.

The Council will inform an applicant in writing of any additional conditions they are imposing.

A Council may decide not to demand whole or partial repayment of a grant where they are satisfied that—

(a) a relevant disposal of the property which is not an exempt disposal is made with the intention of enabling the applicant to move to other accommodation for the purpose of—

(i) the applicant or the applicant's partner accepting employment where either of them is or would otherwise become unemployed, or

(H) enabling the applicant or his or her partner to continue in employment where either is required by an employer to move to another workplace, or

(b) a relevant disposal of the property which is not an exempt disposal is made by a mortgagee in exercise of a power of sale and the mortgage was entered into before the grant application was made.

Where the grant is a common parts or HMO grant, the Council must also be satisfied that the whole or part of the building has been the applicant's only or main residence from the date on which the grant application was approved or, in the case of an HMO grant approved for the purposes of complying with a works notice under the Housing Act 1985, from the date on which the relevant works were completed.

If you require any further information or are in any doubt about the conditions applying to your grant, please contact the Council.

*Delete any words within square brackets which do not apply