

# **HOUSING GRANTS, CONSTRUCTION AND REGENERATION ACT 1996**

## **Summary of Grant Conditions**

This is a summary only of the legislation 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)**

- 1 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. This period may, however, be extended by the Council if they think fit, particularly where they are satisfied that the eligible 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.

### **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 initial period (that is five years beginning with the date on which the Council certifies the eligible works to have been completed to their satisfaction) -
  - (a) 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), or
  - (b) the dwelling will be occupied or available for occupation by a member of the agricultural population under a service contract, and otherwise than as a tenant.
- 2 It is also a condition of the grant that the council may be 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 registered housing association).
- 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, within the initial period, an owner makes a relevant disposal (other than an exempt disposal) of the dwelling he is obliged to repay to the Council 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) If neither (a) nor (b) above applies during any part of the initial period, but the dwelling is occupied by a person who is a protected occupier under the Rent (Agriculture) Act 1976 or is occupied under an assured agricultural occupancy, within the meaning of Part 1 of the Housing Act 1988, the condition will not be breached.
- (ii) 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.
- (iii) "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).
- (iv) "Exempt disposal" means a disposal, which is:
  - (i) of the whole of the dwelling 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;
  - (ii) of the whole of the dwelling under a will or inheritance on a death;
  - (iii) of the whole of the dwelling by Court order in the course of a domestic breakdown;
  - (iv) compulsorily, or by agreement, to a public body with compulsory purchase powers;
  - (v) of land which is "included land" under section 184 of the Housing Act 1985; or
  - (vi) 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.

## **Owner-occupation**

### **In a case where a certificate of owner-occupation accompanies the application,**

1. It is a condition of the grant that, where an owner makes a relevant disposal of the dwelling, other than an exempt disposal, within a period of five years from the date on which the Council certify that the eligible

works have been carried out to their satisfaction ("the certified date"), he will be required to repay the grant to the Council, on demand. This condition remains in force for the whole of the five years and is binding not only on the person who gives the certificate, but also on any person who is for the time being an owner of the dwelling, except that where an exempt disposal is made, the conditions as to repayment cease to have effect. 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.

2. The Council may decide not to make any demand for repayment in case where they are satisfied that the owner is elderly or infirm and is disposing of the property with the intention of going to live in sheltered housing or a residential care home.

**Note:** The meanings of "relevant disposal" and "exempt disposal" are set out in notes (iii) and (iv) above.

## **HMO Grants**

### **In a case where an HMO grant has been approved by the Council,**

1. It is a condition of the grant that, throughout a period of five years from the date on which the Council certifies that the eligible works have been carried out to their satisfaction ("the initial period"), the house will be residentially occupied or available for residential occupation, under tenancies or licences, by persons who are not connected with the owner for the time being of the house (generally speaking, this means not a member of his family). A residential occupation does not mean a holiday.
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 above condition is being fulfilled.
3. In the event of a breach of the above grant conditions, or if at any time within the initial period the Council have given a direction under section 354 of the Housing Act 1985 (power to limit the number of occupants in a house) 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.
4. It is a further condition of the grant that if, within the initial period, an owner makes a relevant disposal (other than an exempt disposal) of the house he is obliged to repay to the Council 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.
5. 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 house (except for a housing authority or registered housing association). Any HMO condition shall cease to have effect once a demand for repayment in respect of the condition mentioned in paragraphs 3 and 4 above has been satisfied.

**Note:** The meanings of "relevant disposal" and "exempt disposal" are set out in notes (iii) and (iv) above.

## **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.

Cross out any words in square brackets which do not apply.