

<b>Key Decision Required:</b>	<b>Yes</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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## CABINET

26<sup>th</sup> June 2020

### REPORT OF THE PORTFOLIO HOLDER FOR HOUSING

#### **A.4 FINANCIAL ASSISTANCE POLICY FOR PRIVATE SECTOR HOUSING**

(Report prepared by Tim Clarke & Emma Blake)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

To inform Cabinet about the delivery of financial assistance for Private Sector Housing and seek agreement for a revised Financial Assistance Policy.

##### **EXECUTIVE SUMMARY**

In 2015 Cabinet agreed revisions to the Financial Assistance Policy.

Whilst minor amendments have been made to the policy since, it has now undergone a thorough review to reflect current demand and to make better use of the funding that is available.

Revisions primarily seek to increase spending from the Better Care Fund and offer a broader range of assistance that can be delivered quicker and in a more targeted fashion to those in need.

##### **RECOMMENDATION(S)**

**It is recommended that Cabinet notes;**

- 1. the update on delivery of the service since 2015;**
- 2. agrees the revised Financial Assistance Policy for Private Sector Housing as appended to this report, and;**
- 3. delegates authority to the Housing Portfolio Holder to make changes to the policy if needed after it has been approved**

#### **PART 2 – IMPLICATIONS OF THE DECISION**

##### **DELIVERING PRIORITIES**

This decision and revised policy will contribute to the following priorities in the Corporate Plan 2020 - 24:

**Community Leadership through Partnerships** – by offering opportunities to improve the living environment of residents we can improve their health and wellbeing and help to maintain their dignity. The policy plays into the wider arena of helping people remain independent in their own homes for longer and reducing avoidable hospital admissions.

**A Growing and Inclusive Economy** – the policy places an emphasis on using local building firms to carry out works except where the work is of a specialist nature.

**Delivery of High Quality Services** – the service has made great improvements in

turnaround time for grant approvals and completions in recent years. The policy will enable this high quality service to be delivered to more residents whilst providing a wider range of assistance to those in need. Sustainable and carbon neutral installations will be funded where appropriate, with a balance against the need to minimise fuel poverty

## **FINANCE, OTHER RESOURCES AND RISK**

### **Finance and other resources**

The revised financial assistance policy will offer both mandatory grants and discretionary grants.

The mandatory grants are the Disabled Facilities Grants that are funded by central government through the Better Care Fund (BCF) and have conditions attached for partial repayment if certain criteria are met. £2,045,092 will be allocated to the Council through this fund in 2020/21 to provide disabled adaptations and other work in private sector dwellings to assist social care and hospital discharge. The same sum that was allocated in 2019/20.

Due to underspends in previous years there is currently £6,000,000 in the BCF budget for spending on DFGs and the other forms of Discretionary Assistance that it will be used to fund. It is very unlikely therefore that this budget will be exhausted and the lower value discretionary grants do not have repayment conditions attached.

Further discretionary schemes funded from capital receipts have been taken out of the policy for now pending a review of priorities around the use of capital receipts. These may be added in at a future date should a decision be made that such funding continues to be made available.

### **Risk**

There is a risk that not all the repayable funds will be repaid to the Council. Registering the repayable grants as formal local land charges against the property and carrying out quarterly occupancy checks limits this. The only times a repayable grant is not repaid will be in exceptional circumstances approved by a Corporate Director or the Assistant Director for Housing & Environment and following those set out in the Disabled Facilities Grant (Conditions relating to approval of payment of Grant) General Consent 2008.

## **LEGAL**

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 provides local councils with a general power to offer grants, loans and other forms of assistance to support private sector housing renewal, and meet the needs of people with disabilities.

The Council currently has a comprehensive Financial Assistance Policy for Private Sector Housing providing mandatory Disabled Facilities Grants under The Housing Grants, Construction and Regeneration Act 1996, small grants and repayable loans.

Whilst originally intended for mandatory Disabled Facilities Grants, the BCF allocation can be spent on works that meet wider social care objectives, improve health and wellbeing, reduce or prevent hospital admissions and facilitate hospital discharge. This has been confirmed in the 2020/21 grant determination letter.

Essex County Council has, through the Well Homes Group (a sub-group of the Essex Health and Wellbeing Board comprised of lead officers from ECC social care, occupational therapists and local councils), provided a letter of clarification around how individual allocations under the BCF may be spent based on The Better Care Fund Plan 2019-20. In essence, it is for each council to publish a policy setting out how it will spend the funds in

order to provide DFGs and meet wider social care and housing renewal objectives. This letter is appended to the revised policy.

## **OTHER IMPLICATIONS**

Consideration has been given to the implications of the proposed decision in respect of the following and any significant issues are set out below.

Crime and Disorder / Equality and Diversity / Health Inequalities / Area or Ward affected / Consultation/Public Engagement.

### **Crime and Disorder**

Some residents will benefit from security improvements through replacement windows and doors. By providing less traditional access improvements such as landscaping rather than concrete ramps, homes occupied by vulnerable persons should appear less obvious and attract less crime as a consequence.

### **Equality and Diversity**

An equality impact assessment has been carried out and no equalities issues have been identified. Officers have aimed to make the policy as equitable as possible.

### **Health Inequalities**

The policy will help to tackle health inequalities through improvements to housing which is identified as having a significant contribution to health and wellbeing.

### **Climate Change**

The policy aspires to promote the use of local companies for the work that is funded, thus minimising travel and associated emissions. Reducing fuel poverty and improving the energy efficiency of homes is something that is built into the policy but with an emphasis on reducing fuel poverty where the installation of renewal heating or energy sources is financially prohibitive.

### **Consultation**

Consultation on the proposed policy has been undertaken with the following groups: Essex County Council (Strategic commissioning and Policy, Adult Services, Discharge Team and Children's Services), Essex Well Homes Group, Foundations, Local Home Improvement Agents.

## **PART 3 – SUPPORTING INFORMATION**

### **BACKGROUND**

The Council has had a Financial Assistance Policy for Private Sector Housing in place since 2002. The policy was last updated in 2015 with minor amendments made since, most recently in 2019.

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 requires Councils to have in place a private sector renewal strategy if they are to provide financial assistance.

### **What assistance has been provided since 2015?**

Approximately 350 referrals for DFGs are received each year. Using a combination of changes in process and increased staffing levels the service has reduced the timescales for those parts of the process under our control. Notably the time between receiving a completed application to approving a grant has been reduced from an average of 33 days in 2014 to 6 days in 2020. By combining our efforts to improve our process with improvements and changes by local agents and contractors we have reduced our average approval to certified completion (that is the date that the works are fully paid and the case can close) from 104 days in 2014 to 60 days in 2020.

Due to increasing costs for building works and materials the average cost of a DFG has increased by around 40% since 2015 and due to this larger works such as extensions are extremely difficult to complete within the grant maximum amount of £30,000. In 2010, approximately 10 large extension adaptations were funded per year but this has dropped to 1 or 2 over the last few years. Maximum DFGs are now generally paid for a combination of works rather than extensions as unless the family can find the necessary extra funds (normally between £5,000 and £15,000) they are unable to progress the DFG.

In 2010 when the Council last provided a full range of discretionary assistance for home improvements including grants and repayable loans £112,000 was spent on 37 cases. With the restricted and administratively complex Discretionary Renovation Loan in the current policy £61,000 was spent in 2016/17, £106,000 on 5 cases in 2017/18, £40,000 in 2018/19 on 5 cases and only £28,000 on 3 cases last year. This revised policy seeks to increase this discretionary spending in order to assist those residents needing to return home from hospital as well as prevent admissions or a premature move into a care setting.

### **Why provide assistance?**

The Council has a statutory duty to provide Disabled Facilities Grants and receives funding from central government for this purpose. Our budget allocation from the Better Care Fund for 2020/21 is £2,045,092. In the 2019/20 financial year £1,558,797 was spent funding adaptations for 176 disabled people. £752,000 was committed in approved grants where the works were not completed during the financial year and this will therefore carry over into this year's funding allocation. In that year 271 referrals were received from ECC Occupational Therapists and 150 DFGs were approved. At any time there are typically 150 live cases.

The Council has a general power to provide assistance for those who need help with repairs to their homes and this is something that councils have traditionally done to good effect and fits in with our community leadership role. Since 2015 the Council has offered a Discretionary Renovation Loan (DRL) to help owner occupiers bring their homes up to the Decent Home Standard alongside loans for first time buyers and landlords wanting to bring empty homes back in to use. There has not been any take up of the empty homes loans but the Council has approved some DRLs, totalling £28,500 in 2019/20. Interest in DRLs has been low, largely due to management of demand by the service and because the complex application and administration process means the loans are not suitable for the vulnerable groups that need access to them the most. These forms of assistance have been removed from the policy for now but may be added back in, in a revised form in future. What is really needed now is a more targeted and flexible offer that can be delivered quickly to those that need it. The changes to the policy address this issue.

Housing is a key contributor to health and wellbeing and it is well documented that poor quality housing can lead to poor health. Many of the people we provide assistance to are

either vulnerable or elderly and as a consequence spend longer in their homes and are therefore more at risk to any hazards or disrepair that may be present.

A Health Impact Assessment undertaken for the Council by the Building Research Establishment in 2015 identified that 87% of the housing hazards in our district occur in the owner occupied stock and this reflects the size of that particular tenure. The most common hazard is excess cold and the second most common is falling on stairs which is linked to cold homes.

Hazards are assessed using the Housing Health and Safety Rating System introduced by the Housing Act 2004. The categorisation of hazards is determined by a risk assessment of the effect of a defect on the health and safety of the occupant. The Council has a duty to deal with category 1 hazards and a discretionary power to deal with category 2 hazards. The overall aim of the system is to ensure that the Council can deal with risks from hazards to health and safety in dwellings by requiring them to be reduced to no worse than the average risk for a property of a certain age and type.

The costs to society and the NHS of category 1 hazards are huge. In 2015, the annual costs to the NHS associated with falls on stairs in our owner occupied stock were estimated at £632,760 and the costs to society were £1,581,900. If we mitigated those hazards the annual savings could be £588,230 and £1,470,575 respectively. The cost of mitigating the hazards entirely is £3,952,211 but if we invested £50,000 each year in mitigating the least expensive 50% of hazards, the savings to society could exceed the cost of the work in year one by around £25,000.

The example above demonstrates the wider impact that our assistance policy can have and the potential that future joint working with health services, to target occupants who are most at risk, could achieve.

Many owner occupiers may not be able to afford essential repairs to their homes and are unable to release equity in order to fund them. Loans are available on the high street but interest rates will apply and those struggling the most financially will not be able to obtain them.

### **Are there any other options?**

There are few other options for those who cannot afford repairs to their homes. Equity release or commercially available loans are options but will not be accessible to all.

### **Keeping it local**

In order to promote sustainability and support local companies, the revised policy continues to allow for assistance to be provided only where local building firms are used. There is flexibility where specialist work cannot be sourced locally or value for money cannot be demonstrated.

### **Eligibility**

The policy targets assistance mainly at those who are less financially well off. Use of means testing for some of the assistance options means that we are not restricting the assistance only to those who are in receipt of a means tested benefit and can assist those who may be working but struggling to raise the necessary funds to carry out the work.

## Managing Demand

It is likely that there will be a high demand for the assistance on offer, especially for DFGs and Stairlift Grants. This will be managed by officers in order to regulate spending and prevent workloads becoming unmanageable. If needed, and only as a last resort, a priority waiting list will be set up and if this is necessary clients will be fully informed as to the reasons why in order to avoid complaints.

It is proposed to increase capacity within the team using BCF funding to employ additional fixed term posts where necessary to ensure that the policy can be delivered.

## Key Changes to the Policy

As it was last comprehensively updated in 2015 it has been necessary to refresh the policy throughout. The key changes made are summarised as follows:

- The introduction and background have been refreshed and updated.
- Assistance such as the empty homes loans that were previously unpopular or no longer justifiable has been removed
- The following types of assistance will remain in the policy, unchanged:
  - Mandatory Disabled Facilities Grant (*statutory maximum £30,000*)
- The following types of assistance will be added, or amended:
  - Discretionary Disabled Facilities Assistance (*maximum £30,000*)
  - Discretionary Stairlift Grant (*maximum £10,000*)
  - Discretionary DFG Top-up Assistance (*maximum £15,000*)
  - Discretionary Home Safe from Hospital Grant (*maximum £1,000\**)
  - Discretionary Home Safety Grant (*maximum £1,000\**)
  - Discretionary Emergency Repairs Grant (*maximum £6,000\* in any 3 yr period*)

*\*non-repayable*

All grants will be funded from the BCF but assistance funded from capital receipts or other government funding streams can be added as and when a decision is made that those funds be made available.

All repayable grants remain interest free and repayable on sale or transfer of the property, subject to conditions specific to each type of assistance. Discretionary grant maximums can be increased for individual cases at the discretion of the Assistant Director for Housing & Environment in consultation with the Housing Portfolio Holder.

Some of the grants are non-repayable, reflecting their lower value and use in more urgent or crisis situations when speed of delivery is of the essence.

- Information relating to the application process and terms and conditions has been revised.

### **CURRENT POSITION**

The current position is that the Council is only offering Mandatory Disabled Facilities Grants and a Discretionary Emergency Repairs grant. The Discretionary Renovation Loan has been put on hold due to issues with legal registration and the complexity of the paperwork for those making applications. Those requiring urgent assistance have been offered the Emergency Repair Grant.

#### **Other considerations**

None

### **BACKGROUND PAPERS FOR THE DECISION**

The Better Care Fund Plan 2019-2020 [www.gov.uk/government/publications/better-care-fund-how-it-will-work-in-2019-to-2020](http://www.gov.uk/government/publications/better-care-fund-how-it-will-work-in-2019-to-2020)

The most recent government appointed review of the Disabled Facilities Grant <https://www.gov.uk/government/publications/disabled-facilities-grant-and-other-adaptations-external-review>

### **APPENDICES**

**Appendix A – Financial Assistance Policy for Private Sector Housing 2020**