

## Revised Housing Assistance Policy

Report of Councillor Angela Lax, Cabinet Member for Regulatory,  
Housing and Health



Date: 13<sup>th</sup> April 2021

Agenda Item:

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Key Decision? **YES**

Local Ward All, as applies to the whole of Lichfield district.

Members

**CABINET**

## 1. Executive Summary

1.1 The Housing Assistance Policy sets out the types of financial assistance the council offers to help residents who are disabled or vulnerable to remain in their own homes. Following a review of the policy and consideration of various options by the Community Housing and Health Overview and Scrutiny committee, this report seeks approval of a revised policy at **Appendix 1**. As well as setting out the mandatory grants we provide for disabled adaptations, the revised policy now includes the availability of wider discretionary assistance with an increased amount of Disabled Facilities Top-up Grant and the introduction of a new Discretionary Contributions Grant, which will be funded from our ring fenced DFG budget underspends. In the revised policy, all discretionary assistance is included in an Appendix which will allow greater flexibility to amend schemes and introduce new assistance as the need arises. We are therefore seeking approval of a recommendation to give delegated authority to the Cabinet Member to make minor amendments and introduce other discretionary assistance that may be needed in the future.

## 2. Recommendations

- 2.1 That Members approve the revised Housing Assistance Policy at **Appendix 1**.
- 2.2 That Members delegate authority to the Cabinet Member for Regulatory, Housing and Health in consultation with the Head of Service to make minor amendments to the policy from time to time, and also make changes to the discretionary assistance set out in Appendix A of the policy within approved budgets.

## 3. Background

- 3.1 The Housing Assistance Policy sets out the types of financial assistance the Council offers to help residents who are disabled or vulnerable to remain in their own homes. The policy has not been significantly reviewed since 2013; the current version came into effect in 2019 when it had minor amendments to reflect the change in the Disabled Facilities Grants (DFG) contractor to the home improvement agency Millbrook.

### Disabled adaptations assistance

- 3.2 The council has a legal duty to provide Disabled Facilities Grants (DFGs) under the Housing Grants, Construction and Regeneration Act 1996. The maximum DFG award set by government of £30,000

has not been increased in line with inflation since 2008<sup>1</sup>. This has been found to be restrictive, as some complex adaptations particularly those for disabled children and young people often cost more than the upper limit. However, under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO) we do have the ability to provide discretionary assistance according to local need, including additional top-up funding which can be used to fund adaptations where the cost exceeds the upper grant limit per applicant.

- 3.3 Since 2015-16, funding for DFGs has been provided to us via the Better Care Fund. Additional funds were previously in our own capital programme but this is not currently needed due to an increase in BCF funding and previous year underspends. There has been an under spend of the budget over the last 4 years resulting in a surplus available of over £400,000 at the end of 2019/20<sup>2</sup>.
- 3.4 A review of the policy was undertaken last year and the findings have now been considered twice by the Community Housing and Health Overview and Scrutiny committee. On 20<sup>th</sup> January<sup>3</sup> the committee considered a report which set out various options to revise the policy and it was agreed that improvements should be made to ensure that the policy was fit for purpose and introduce further discretionary assistance to enable more disabled adaptations to take place and utilise the budget underspend. After work by officers to explore the preferred options in further detail, at the meeting on 10<sup>th</sup> March 2021<sup>4</sup>, members of the committee considered the revised policy at **Appendix 1** and recommended it to Cabinet for approval.
- 3.5 As well as including minor amendments to the policy, the two main changes are the increase of the Discretionary Top-up Grant for applicant's eligible for a mandatory DFG, and the introduction of a Discretionary Contribution Grant towards the cost of some applicant's assessed contribution after the financial means test.
- 3.5.1 **Discretionary top-up grant** – this has been increased for mandatory DFG works to **£15,000** which would bring the maximum total grant available to £45,000 and ensure that more adaptations are not withheld or delayed. The top up grant will be fully land charged on owner-occupier applications for 10 years, in addition to any land charge already applied for the mandatory £30,000 grant.
- 3.5.2 **Discretionary Contribution Grant** – up to **£30,000** will be available towards the assessed contribution after the means test for certain applicants assessed as requiring works that are eligible for a mandatory DFG. Awards **over £5,000** will need to be approved on a case by case basis by the Housing and Wellbeing Manager or Head of Service. All awards will be subject to an assessment of hardship to demonstrate that applicants cannot afford their contribution, or do not have the means to secure a loan for their required contribution to the cost of works. In 2019/20 it was found that 21 out of 88 applications were cancelled due to affordability issues and the majority were below £5,000.
- 3.5.3 The policy wording for the Relocation Grant has been amended so that it is clear that the grant can be a stand-alone payment of up to a maximum **£5,000** towards removal costs in addition to a DFG for adapting the new home (i.e. up to the maximum statutory £30,000 plus any additional discretionary Top up grant up to £15,000).
- 3.6 Options considered in January for the introduction of discretionary assistance for palliative care and hospital discharge need further information gathering and discussions with Millbrook and

<sup>1</sup> The 2018 DFG review led by Foundations found that if the £30,000 had been increased in line with inflation it would now be £38,000. See page 180 of the review at <https://www-foundations.uk.com/assets/PDFs/dfg-review-2018-main-report-final-nov-2018a.pdf>

<sup>2</sup> Our review has shown that the underspend this is due to a number of factors including an increase in BCF, additional unexpected BCF awards late in the financial year and performance issues with the Home Improvement Agency Millbrook. Also many grants do not reach completion because the applicant is required to contribute to the cost following the statutory means test.

<sup>3</sup> <https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=143&Mid=1689>

<sup>4</sup> <https://democracy.lichfielddc.gov.uk/documents/s9921/Revised%20Housing%20Assistance%20Policy%20OS%20March%202021%20Final3.pdf>

Staffordshire County Council and so have not been included at this stage. However, as all discretionary assistance is included in an appendix to the new policy, we are seeking approval that delegated authority is given to the Cabinet Member to introduce these and other discretionary assistance that may be needed in the future once further work and discussions have concluded. Although we are not proposing a separate palliative care grant at this stage, introducing a discretionary contributions grant of up to £30,000 will mean that we could help applicants who, for example, are diagnosed with a terminal illness whilst still at employment age and under the means test would not qualify for a grant and instead be required to pay a large contribution.

### Home Repair Assistance and Energy Efficiency Grants (EE)

4. Due to several difficulties in administration and very low usage of the capital budget, emergency home repair assistance grants have been removed and the capital will be used to purchase our own affordable homes instead. Procedures are being revised to set out how we will decide on the most appropriate course of action using our enforcement powers in accordance with housing legislation (Housing Act 2004) to address any urgent housing repairs (classed as category 1 hazards) in owner occupied properties. This may include the service of enforcement notices and works done with agreement and paid for in advance, or if there is not agreement or the occupier can't afford to do the work or they lack capacity we could do works in default (WID) and charge the cost of works to the property as a land charge. The new policy will take effect from the financial year 2021/22 and so any existing grant applications that have been received by the 31<sup>st</sup> March 2021 will be honoured.

4.1 Energy Efficiency grants were introduced to help reduce the number of people living in fuel poverty by helping towards the cost of insulation and heating measures, such as the replacement of inefficient or broken boilers. As central government currently funds these types of works through the Energy Company Obligation (ECO) we have not been using our capital to supplement the cost of works. As it is expected that ECO funding will continue into 2021/22 the need to use council funds towards EE measures will be very low or zero. Rather than remove this grant altogether, we have kept this in the policy for eligible home owners but will not assign any budget to it for the next 2 years; if ECO funding reduces or we need match funds for example then we will seek to have the budget reinstated earlier.

### Other amendments

5. Two other minor alterations have been made to the policy; this is the removal of reference to the Target Hardening scheme which is included in Homelessness Prevention and Assistance Policy as well as reference to empty homes which is covered by the Empty Homes Policy.

Alternative Options	<ol style="list-style-type: none"> <li>1. To do nothing and make no changes to the current Housing Assistance Policy: <ul style="list-style-type: none"> <li>• This is not recommended as the review of the policy has indicated certain issues which need to be addressed.</li> <li>• To retain the current policy for administering HRA and EE grants may mean a continued underspend of these budgets.</li> </ul> </li> <li>2. To not introduce the discretionary assistance options: <ul style="list-style-type: none"> <li>• By increasing the top up grant and introducing discretionary contributions assistance, more grants will be carried out thus increasing the annual spend and enabling more residents to live safely in their own homes.</li> </ul> </li> <li>3. To explore other options not identified.</li> </ol>
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Consultation	Millbrook have been consulted on the proposed changes and are supportive of the proposed discretionary assistance. The County Council have been consulted and we are waiting for a response.
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**Financial Implications**

1. The relevant Approved Budgets contained in the Medium Term Financial Strategy approved by Council on 16 February 2021 are detailed below:

	Approved Budgets					
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Disabled Facilities Grants	511	1,272	1,272	1,272	1,272	5,599
Home Repair Assistance Grants	10	22	21	22	21	96
Decent Homes/Other Grants		359				359
Energy Insulation Programme		22	22	22	22	88
Affordable Housing	255	429				684
<b>Approved Budget</b>	<b>776</b>	<b>2,104</b>	<b>1,315</b>	<b>1,316</b>	<b>1,315</b>	<b>6,826</b>

2. Taking into account the proposals in paragraphs 4 and 4.1, these budgets would be updated to be:

	Updated Budgets					
	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000	2024/25 £000	Total £000
Disabled Facilities Grants	511	1,272	1,272	1,272	1,272	5,599
Home Repair Assistance Grants	10					10
Decent Homes/Other Grants		359				359
Energy Insulation Programme				22	22	44
Affordable Housing	255	473	43	22	21	814
<b>Approved Budget</b>	<b>776</b>	<b>2,104</b>	<b>1,315</b>	<b>1,316</b>	<b>1,315</b>	<b>6,826</b>

3. Since 2015-16, funding for DFGs has been provided to us via the Better Care Fund (BCF). There has been an under spend of the budget over the last 4 years resulting in a surplus available of over £400,000 at the end of 2019/20. This underspend will be used to provide the discretionary assistance set out in sections 3.2.1 and 3.2.2 above.

4. There is no additional funding required as the proposed discretionary assistance will use underspends already included in the DFG budget.

5. Millbrook, the home improvement agency generate a fee of 16% (+VAT) for completed adaptations which is eligible for grant funding and so comes out of the capital budget.

6. Funding provision for HRAs and EE grants is in the current capital programme up to 2024/25 (funded by reserves) and as proposed in the table above will be transferred to our affordable property acquisition. The EE budget has been reinstated in 2023/24 but will be re-profiled if government policy remains the same and there is still no need to part fund measures.

**Contribution to the Delivery of the Strategic Plan**

The Strategic Plan 2020-2024 has four corporate priorities; the one that delivery of DFG's will mostly contribute to is 'enable people' to help themselves and others as having an adaptation can lead to greater independence both in and outside someone's home and an improved quality of life. The provision of a new Housing Assistance Policy also contributes to the corporate priority 'Be a good council' that is transparent and accountable, responsive and customer focussed.

Equality, Diversity and Human Rights Implications	An Equalities Impact Assessment (EIA) and wider impact assessment was completed on 25th March and it was found that the removal of emergency home repair assistance grants may have a negative impact on a very small number of low income home owners with serious disrepair to their homes. However, it was acknowledged that there has historically been a very limited budget and low take up of the grant, which along with other remedies available to replace the grants will mitigate for this.
Crime & Safety Issues	None identified
Environmental Impact	The changes to the policy relate to financial matters and no direct environmental impacts have been identified. The positive impact of energy efficiency measures on the environment is one of the reasons for leaving energy efficiency grants in place so that they can be brought back quickly if needed.
GDPR/Privacy Impact Assessment	This is a revised policy only and there are no changes identified that would require completion of a new GDPR/Privacy Impact Assessment.

RISK	Risk Description	How We Manage It	Severity of Risk (RAG)
A	The key risk is non delivery of the mandatory DFGs as the budget is spent on discretionary grants.	Expenditure levels will need to be closely monitored throughout the year to ensure that there are sufficient funds to cover all mandatory grant approvals. Only DFGs are mandatory and the policy states that discretionary assistance will only be made available if funding permits. Applications for the discretionary contributions grants over £5,000 up to £30,000 must be approved on a case by case basis meaning that higher awards will be closely controlled. A set amount each year could be allocated for discretionary assistance while we have budget underspends.	Likelihood: Green Impact: Amber Severity of risk: Green
B	Central Government funding is removed for energy efficiency schemes and there will be no help available for vulnerable residents in fuel poverty or living in homes with insufficient heating.	The council is kept well informed of an amendment or withdrawal of government funding which will give the opportunity to put internal funding back in place if needed.	Likelihood: Green Impact: Amber Severity of risk: Green

**Background documents:**

Lichfield District Council Housing Assistance Policy 2019

<https://www.lichfielddc.gov.uk/downloads/file/1074/housing-assistance-policy-2019>

**Relevant web links:**

Report to Community Housing and Health Overview and Scrutiny Committee 20<sup>th</sup> January 2021

<https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=143&MId=1689>

Report to Community Housing and Health Overview and Scrutiny Committee 10<sup>th</sup> March 2021

<https://democracy.lichfielddc.gov.uk/documents/s9921/Revised%20Housing%20Assistance%20Policy%20OS%20March%202021%20Final3.pdf>

2018 DFG Review - Foundations

<https://www-foundations.uk.com/dfg-review.php>