

Housing Assistance Policy Review

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



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Agenda Item:

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Key Decision? YES

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

**Community,
Housing and
Health
(Overview &
Scrutiny)
Committee**

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. The policy has not been significantly reviewed since 2013; the current version came into effect in 2019 when it was amended to reflect the change in Disabled Facilities Grants (DFG) provider. The report provides a review of the policy and in **Appendix 1** sets out various options available to provide further assistance, firstly for discretionary disabled adaptations and secondly for emergency home repairs and energy efficiency measures. In addition to this, the report also recommends some minor amendments to the policy.
- 1.2 With regards to disabled adaptations, our ability to be flexible and consider further assistance has been made possible by an under spend in the capital budget. Once we have Members feedback we will need to do further work, which will include consulting with the DFG provider Millbrook on the deliverability of the chosen options before drafting a revised policy to be considered by this committee at its next meeting on 10th March 2021.

2. Recommendations

- 2.1 That Members consider the review of the current policy and comment on the options identified to provide further assistance for disabled adaptations set out in **Appendix 1**.
- 2.2 That Members consider the review of the outcomes achieved by Emergency Home Repair Assistance grants (HRA) and Energy Efficiency grants (EE) and comment on the alternative options available set out in **Appendix 1**.
- 2.3 That Members consider and comment on other minor amendments recommended to the policy.

3. Background

Disabled adaptations assistance

- 3.1 Local Authorities (LAs) have a legal duty to provide Disabled Facilities Grants (DFGs) under the Housing Grants, Construction and Regeneration Act 1996. The maximum DFG is currently £30,000 and this has not been increased in line with inflation since it was last revised in 2008¹. Some adaptations cost more

¹ 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://wwwFOUNDATIONS.uk.com/assets/PDFs/dfg-review-2018-main-report-final-nov-2018a.pdf>

than the upper limit, usually the more complex cases particularly for disabled children and young people. The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO) also gives LAs the discretion to provide other types of financial 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.

- 3.2 Since 2015-16, funding for DFGs has been provided to us via the Better Care Fund with additional funds coming from our own capital programme. A summary of spend against our BCF allocation and budget for the last 4 complete financial years is set out in Table 1 below².

Table 1: DFG Budget & Spend from 2016-2020

Year	No. of grants fully completed	Better Care Fund award	Total annual budget	Actual spend	Underspend
2016/17	90	£761,300	£850,000	£787,513	£62,487
2017/18	102	£915,711 (£833,619 & £82,092)	£1,010,000	£1,017,483	£0
2018/19	73	£1,013,440 (£905,939 & £107,501)	£1,193,000	£583,452	£609,548
2019/20	60	£977,562	£1,200,000	£790,795	£409,205

Source: LDC Finance and Procurement

- 3.3 Table 1 above shows that 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. Our review has shown that this is due to a number of factors:-
- The increase in Better Care Funding and additional unexpected awards late in the financial year from central government.
 - Performance issues with the Home Improvement Agency that have been previously considered by this committee, most recently in the report dated 15 September 2020³
 - Many grants do not reach completion because the applicant is required to contribute to the cost following the statutory means test.

Options for consideration

- 3.4 Despite the high demand for DFGs, it is unlikely that the Council will be able to fully spend our grant funding and the under spend by only offering statutory DFGs. It is therefore proposed that the Council makes amendments to the policy to include additional discretionary adaptations assistance to enable the Council to help even more disabled residents to live as independently as possible in their homes. A summary of the current policy, issues identified and the various options available to provide additional discretionary assistance are set out in **Appendix 1** and include:
- 3.4.1 **To increase the Discretionary top-up grant for mandatory DFG work.** The current policy allows a discretionary top-up of up to £5,000 for adaptations which cost in excess of the maximum grant of £30,000. It is proposed to increase this to £10,000 or £15,000 to bring the maximum total grant available to between £40,000 and £45,000 which would ensure that more adaptations are not withheld or delayed. Last year there were 3 cases that were unable to proceed as the cost exceeded £35,000

² The BCF award in 2020-21 is £977,562 the same as in 2019-20. An additional BCF award of £131k has also recently been awarded in 2020-21.

³ <https://democracy.lichfielddc.gov.uk/ieListDocuments.aspx?CId=143&MIId=1688&Ver=4>

and we are aware of 3 further cases that Millbrook are currently dealing with which are facing the same issues now. We anticipate an increase in these issues as costs have risen a lot since 2008 when the current mandatory grant limit was set. 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 grant. It is recommended that the option to vary the amount paid is written into the policy in exceptional circumstances, where the appropriate criteria have been met.

3.4.2 To introduce a Discretionary Contribution Grant. The DFG is a means tested grant, so in some cases, the applicant may have to make a financial contribution and each year there are many adaptations that do not go ahead because the applicant cannot afford to pay this. In 19/20, 21 out of 88 applications were cancelled due to affordability issues. **Appendix 2** provides case studies and means test scenarios to demonstrate this. Three options are therefore proposed:-

- To pay a discretionary contributions grant up to a certain amount e.g. £15,000 towards the cost of the applicant's contribution
- To not have a cap on the maximum amount offered. This will help applicants who, for example, are diagnosed with a terminal illness whilst still at employment age and will therefore either not be eligible for a grant or be required to pay a large contribution.
- To pay 100% of the first £5,000 of any assessed contribution and for anything over that a percentage would be paid, for example 50% paid up to £15,000.

With this option an assessment of hardship would be introduced for applicants to demonstrate they cannot afford their contribution or do not have the means to secure a loan for this amount.

3.4.3 To introduce a Palliative Care Grant. This grant will be similar to the mandatory DFG but will be fast-tracked in order to provide urgent home adaptations for a terminally ill person. It will be limited to £30,000 (per the mandatory DFG) and applicants will also be eligible for the discretionary top-up. There will be a means test and in cases where there is an affordability issue the applicant can apply for the Discretionary Contribution Grant. The council will make a decision on each application and the grant will be fully land charged on owner occupier applications for a 10 year period. Where a mandatory DFG has already been approved this will be in addition to any land charge already set for the mandatory grant.

3.4.4 An alternative to this is to not introduce a specific Palliative Care Grant but **work towards a fast track DFG pathway** for residents with a terminal illness but this would need to be agreed by all partners in the Supporting Independent Living in Staffordshire (SILIS) partnership.

3.4.5 To introduce a non-means tested Palliative Care Grant. This would be for works up to £10,000 which would facilitate fast-track adaptations for Palliative Care patients such as stair lifts that can be fitted swiftly.

3.4.6 To introduce a Hospital Discharge Grant. This is intended to help speed up hospital discharges for eligible⁴ clients. Applications must be via a referral from an appropriate health professional confirming urgent works are required, such as the fitting of a stair lift, ramp or handrails. A one-off clearance of hoarded properties could also be included to make the home safer for the person to return home as well as general emergency repairs such as the upgrading of electrical installations. The proposed maximum grant for this is £7,500 and would be means-tested and fast tracked.

⁴ These would be clients who are vulnerable due to age, disability or receive income-related benefits.

The above discretionary grants would only be available for works which are necessary and appropriate according to an Occupational Therapist (OT). On occasion, applicants will decide to carry out adaptations which deviate from the OT's recommendations and these are usually more expensive and time-consuming; these schemes will not be eligible for the above funding.

Other amendments

- 3.5 It is proposed to amend the policy wording for the **Relocation Grant**. The current policy offers assistance when it is not possible, or too expensive to adapt a disabled person's home to meet their needs. In these cases, the Council may assist applicants with the cost of moving to a more appropriate home that either can be adapted or already has suitable facilities. Currently, the policy states that this must not exceed the maximum grant limit and it is recommended that is amended to clarify that the grant can be a stand-alone payment of up to a maximum £5,000 towards removal costs⁵ in addition to a DFG for adapting the new home (up to the maximum £30,000).

Emergency Home Repair Grants (HRA)

- 4.1. The current policy offers emergency grants for vulnerable owner-occupiers living in the worst housing conditions. Applicants must be in receipt of certain benefits or vulnerable due to age, disability or income level. The maximum grant available is £5,000 per application and is intended for households who are unlikely to qualify for an equity-release product, or a delay due to waiting times for a loan would cause the works to become prejudicial to health or dangerous.
- 4.2. The HRA budget in the capital programme is £15,000 per annum up to 2023/24. Due to underspends, a further £21,000 is available in 2020/21 making this year's budget £36,000. Table 2 below shows spend and the low number of grants completed since 2018.

Table 2: HRA grant spend since 2018

Year	Annual budget	No grants completed	Actual spend	Underspend
2018/19	£15,000	1	£1,756	13,244
2019/20	£15,000	3	£6,768	8,232

Source: LDC Finance and Procurement

Options for consideration

- 4.3 A summary of the current policy, the issues identified and the options available are set out in **Appendix 1**. The options include:
- 4.3.1 **To cease providing HRA grants altogether and instead use enforcement powers under housing legislation to address housing repairs.** Any owner occupied housing in severe disrepair will be addressed through service of enforcement notices and works done in default by agreement if the occupier can't afford to do them or they lack capacity to organise the repairs themselves. The cost of works would then be charged to the property.
- 4.3.2 **Cease providing HRA grants and replace with a loan scheme.** These are becoming popular amongst LAs and are usually used to carry out essential repairs or improvements to remedy hazardous conditions. Some LAs offer low interest or interest free secured loans through a partner agency⁶ and the maximum offered is typically between £5,000 and £10,000. A land charge is also usually applied.

⁵ This is removal costs only and must not be used towards a house purchase

⁶ To offer loans an organisation needs to be FSA registered which the council isn't.

- 4.3.3 **Promote equity release.** The majority of enquiries about HRA grants are from elderly homeowners who own their property outright and have a lot of equity. In some cases equity release may be a good option to release funds to carry out emergency and other repairs needed to their home.
- 4.3.4 **To retain the HRA grant, begin a wider promotion and review again in 12 months' time.** Currently, the uptake of these grants has been low; it is not known exactly why this is the case but it may be due to a lack of awareness.

Energy Efficiency Grants (EE)

- 4.4 EE 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. They are also aimed at increasing the energy efficiency of the housing stock and cut carbon emissions.
- 4.5 However, central government currently funds these types of works through the Energy Company Obligation (ECO) scheme that we have access to through the Warmer Homes, Greener District (WHGD) initiative. The Council's EE grant is intended to help applicants where this scheme does not meet the full cost of installation. We are also part of the Staffordshire Warm Homes programme which funds the installation of first time central heating systems into eligible homes across the county.
- 4.6 Table 3 below shows that since 2019/20 no EE grants were given as ECO funding was available to cover the costs of all EE measures installed though WHGD. It is expected that ECO funding will continue, and so in 2020/21 and 2021/22 the need to use council funds towards EE measures will be very low or zero.

Table 3: Council spend on EE Grants since 2016

EE Grants	Annual budget	No grants completed with support from council grant	Actual spend	Underspend
2016/17	£56,000	16	£25,769	30,231
2017/18	£30,000	9	£9,278	£20,722
2018/19	£41,000	12	£12,926	£28,074
2019/20	£10,000	0	£0	£10,000

Source: LDC Finance and Procurement

Proposals for the Use of Energy Efficiency Grants

In light of the available ECO funding, the following is proposed:-

- 4.7 **To cease offering the EE grant and address energy efficiency and fuel poverty issues by other means, such as combine into the HRA grant (if continued) or by enforcement action (if HRA discontinued).** Should central government ECO funding cease/reduces and no longer cover the cost of EE measures, then the need for a specific energy fund can be reviewed.

Other amendments

- 4.8 In addition to the above the following minor alterations to the policy are proposed:-
- Remove reference to Target Hardening Assistance as this is included in Homelessness Prevention and Assistance Policy and is administered by the Housing Options Team.
 - Remove reference to Empty Homes as this is now covered by the Empty Homes Policy.

Alternative Options	<ol style="list-style-type: none"> 1. To do nothing and not make any changes to the current Housing Assistance Policy: <ul style="list-style-type: none"> • This is not recommended as the review of the policy has indicated certain issues which need to be addressed. • To retain the current procedure for administering HRA and EE grants may mean a continued underspend of these budgets. 2. To introduce some but not all of the discretionary assistance options. <ul style="list-style-type: none"> • By increasing the top up and introducing discretionary assistance, more grants will be carried out thus increasing the annual spend and enabling more residents to live safely in their own homes, in particular those that need urgent adaptations due to a terminal illness. 3. To explore other options not identified in the report.
Consultation	Further consultation can be considered following the meeting before the policy is redrafted. For example this could involve consulting relevant stakeholders, partner agencies and the County Council to ascertain their views on our proposals for discretionary assistance.
Financial Implications	<ol style="list-style-type: none"> 1. There is no additional funding required as the proposed options are intended to spend underspends already in the DFG budget. 2. Millbrook, the Homes 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. 3. Discussions with Millbrook regarding their staff resources to provide the fast-track Palliative Care Grant and other fast tracked works would be required as this is not specifically stated in the current contract. 4. Funding for HRAs and EE grants is in the capital programme up to 2023/24; this is funded from our reserves and could be diverted to our affordable property acquisition.
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 will be completed for the new draft policy. Once Members have made a decision on the options they would like to incorporate into the new Housing Assistance Policy then this will be completed.
Crime & Safety Issues	None identified
Environmental Impact	None identified

**GDPR/Privacy
Impact
Assessment**

A GDPR/Privacy Impact Assessment will be completed on the new draft policy.

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. A set amount each year could be allocated for discretionary assistance and/or it could be trialled for one or two years while we have budget underspends.	Likelihood: Green Impact: Amber Severity of risk: Green
B	If HRA assistance is removed the condition of the private sector housing stock may decline and there will be an increase in owner-occupiers living in dangerous housing or conditions prejudicial to health.	As the take-up of these grants is low, a significant increase in defective housing stock is not anticipated and other options such as enforcement will prevent this.	Likelihood: Green Impact: Green Severity of risk: Green
C	There is the risk of negative publicity if HRA was removed and replaced by enforcement action.	We would always seek to do enforcement action by agreement unless in exceptional circumstances.	Likelihood: Green Impact: Green Severity of risk: Green
D	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. A HRA could be offered instead (if the option is retained).	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:

2018 DFG Review - Foundations

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