

Revised Housing Assistance Policy

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



Date: 10th March 2021
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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. Following consideration of the various options at the last meeting on the 20th January 2021, this report seeks support for a revised policy at **Appendix 1**. As well as setting out the mandatory grants we provide for disabled adaptations, the policy now includes wider discretionary assistance with an increased amount of Disabled Facilities Top-up Grant and a new Discretionary Contributions Grant that will be funded from our ring fenced DFG budget underspends. Options considered at the last meeting for a palliative care and hospital discharge grant still require further discussions with Millbrook (the contractor that delivers DFGs on our behalf) and Staffordshire County Council so they cannot be included at this stage. We will therefore recommending to Cabinet that delegated authority is given to the Cabinet Member to introduce these at a later date once further work and discussions have concluded.

2. Recommendations

2.1 That Members consider the revised policy at **Appendix 1** and recommend it to Cabinet for approval.

3. Background

Disabled adaptations assistance

- 3.1 As was set out in the last report to this committee on the 20th January 2021, 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 2008¹. 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.
- 3.2 The previous report set out various options to revise the policy which has not been significantly updated since 2013. It was agreed that improvements should be made to ensure that it was fit for purpose and introduce further discretionary assistance to enable more disabled adaptations to

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

take place and utilise the budget underspend. Since the last meeting officers have been exploring the preferred options, however due to further information gathering and discussions needed with Millbrook and Staffordshire County Council, discretionary assistance for palliative care and hospital discharge cannot be introduced from April 2021. However, as the discretionary assistance is included in an appendix to the new policy, we propose to recommend to Cabinet 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. As well as completing minor changes to the policy, the two main changes we propose to include now are to increase the Discretionary Top-up Grant for applicants eligible for a mandatory DFG, and also introduce a Discretionary Contribution Grant towards the cost of some applicant's assessed contribution after the financial means test.

- 3.2.1 **Discretionary top-up grant** – this will be increased for mandatory DFG work 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.
- 3.2.2 **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. As highlighted in the previous report, in 2019/20, 21 out of 88 applications were cancelled due to affordability issues and the majority were below £5,000.
- 3.2.3 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. We will also be working towards a fast track DFG pathway for residents with a terminal illness that will need to be agreed by all partners in the Supporting Independent Living in Staffordshire (SILIS) partnership.

Other amendments

- 3.4 The proposal to amend the policy wording for the **Relocation Grant** has been done so that it is clear that the grant can be a stand-alone payment of up to a maximum £5,000 towards removal costs² 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).

Home Repair Assistance and Energy Efficiency Grants (EE)

4. Due to several difficulties in administration and very low usage of the capital budget, we are proposing to remove emergency home repair assistance grants and use the capital to purchase our own affordable homes instead. Procedures are being revised and improved on how we will use our enforcement powers under housing legislation to address urgent housing repairs. Any owner occupied housing in severe disrepair will be addressed through the service of enforcement notices and works done for them with their agreement and paid for by them in advance. Alternatively, if there is not an agreement or the occupier can't afford to do them or they lack capacity, then we propose to do works in default (WID) and charge the cost of works to their property as a land charge.

² This is removal costs only and must not be used towards a house purchase.

4.1 As set out in the previous report, 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 are proposing to keep in the policy for eligible home owners but 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.

<p>Alternative Options</p>	<ol style="list-style-type: none"> 1. To do nothing and make no 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 not introduce the discretionary assistance options: <ul style="list-style-type: none"> • By increasing the top up 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, in particular those that need urgent adaptations due to a terminal illness. 3. To explore other options not identified.
<p>Consultation</p>	<p>Millbrook have been consulted on the proposed changes and are supportive of the proposed discretionary assistance. The County Council will be consulted before Cabinet approval is sought.</p>
<p>Financial Implications</p>	<ol style="list-style-type: none"> 1. Since 2015-16, funding for DFGs has been provided to us via the Better Care Fund (BCF). As advised in the previous report dated 20th January 2021 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 2019/20³. This underspend will be used to provide the discretionary assistance set out in sections 3.2.1 and 3.2.2 above. 2. There is no additional funding required as the proposed discretionary assistance will use underspends already included in the DFG budget. 3. 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. 4. Funding provision for HRAs and EE grants is provided for in the capital programme up to 2024/25 (funded by reserves) and will be transferred to our affordable property acquisition. The EE budget could be diverted back if government policy changes and we will need it to part fund measures again.

³ 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.

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 policy before it goes to Cabinet for approval.
Crime & Safety Issues	None identified
Environmental Impact	The changes to the policy relate to financial matters and no direct environmental impacts have been identified.
GDPR/Privacy Impact Assessment	A GDPR/Privacy Impact Assessment will be completed on the revised policy before it goes to Cabinet.

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 20th January 2021

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

2018 DFG Review - Foundations

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