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<b>Subject:</b>	<b>REVISION OF EXISTING HOUSING ASSISTANCE POLICY</b>
<b>Meeting and Date:</b>	<b>Cabinet – 3 July 2017</b>
<b>Report of:</b>	<b>Mike Davis, Director of Finance, Housing and Community</b>
<b>Portfolio Holder:</b>	<b>Councillor Pauline Beresford, Portfolio Holder for Housing, Health and Wellbeing</b>
<b>Decision Type:</b>	<b>Key Decision</b>
<b>Classification:</b>	<b>Unrestricted</b>

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**Purpose of the report:** To obtain approval for a revised Housing Assistance Policy in order to assist with delayed hospital discharge (bed-blocking), bring more empty homes into use and to provide more assistance to enable people to live independently at home for longer (see the revised Housing Assistance Policy attached at Appendix 1).

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**Recommendation:** That Cabinet approves revisions to the Private Sector Housing Assistance Policy to:

- (i) Amend the types of assistance available in order to spend the additional funding provided through the Better Care Fund for Disabled Facilities Grants.
- (ii) Provide additional financial assistance to bring empty homes back into use.
- (iii) Authorise the Director of Finance, Housing and Community to make further minor changes to the policy.

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## 1. Summary

1.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. (RRO), allows a Local Housing Authority (LHA) to give financial assistance to homeowners for repairs and improvements to their homes. The order requires the LHA to agree and publish a Housing Assistance Policy before assistance can be given. The policy should detail the conditions and types of grants and loans that are to be made available. The current policy was approved by the Council in 2012.

1.2 This report recommends that Cabinet agrees some revisions to the Policy to enable the provision of additional types of funding in relation to the following areas of service:

- Disabled Facilities Grants (DFG's): these are mandatory grants and the conditions and eligibility criteria are strictly controlled by the Housing Grants and Construction Act 1996. Since April 2016 all Councils have received substantial increase in grant funding from central Government for DFG's. This allows the Council to consider providing funding for additional types of assistance as set out in the report and the draft revised policy attached.
- Empty Homes: since 2012 the only financial assistance to property owners to help bring empty homes back into use has been through the KCC No Use Empty scheme. The scheme has been very successful in helping to tackle empty homes and has helped lever significant private investment into the District. However, the

funding is limited and it is proposed that the Council provides additional funding to help meet demand.

- 1.3 Costs relating to additional DFG services can be met from the increased DFG grant received from government through the Better Care Fund and the costs related to empty homes funding will be met from the Council's private sector housing loan capital budget

## 2. **Introduction and Background**

### Disabled Facilities Grant Funding

- 2.1 Local Housing Authorities have a duty to provide Disabled Facilities Grants (DFG's) whose conditions and eligibility criteria are controlled by the Housing Grants and Construction Act 1996.
- 2.2 Since 2015-16, funding for DFG's has been provided via the Better Care Fund. In November 2015 the Government announced it was committed to increase DFG funding by 79% for 2016/17. Some of this increase included the Social Care Grant which KCC uses to fund equipment in a disabled person home. Even with the Social Care Grant funding taken into account, the funding for DFG's increased substantially from £599k to £859K. The funding for 2017/18 funding has been increased by a further £90k (11%) and it is expected that by 2020 the funding will be twice the amount awarded in 2015/16.
- 2.3 The combined effect of a combination of a small reduction in grant applications in 2016/17, a significant reduction in the average DFG paid and the additional funding received was a DFG budget underspend of £400k in 2016/17. The Council has no waiting list for grant approvals and applications for grants are processed quickly. Despite recent promotion of DFG's, it is unlikely that the Council will be able to spend current and future grant funding by only offering statutory DFG's.
- 2.4 One of the primary aims behind the additional funding provided through the Better Care Fund is to ensure that disabled people can live independently in their own homes for longer. It sets targets around reducing "delayed transfers of care" (hospital bed-blocking due to lack of a safe home environment to be discharged into), and reducing admissions to hospital by improving energy efficiency, security and safety in the home and expects Councils to offer additional types of assistance to alleviate these problems. The latest guidance issued in March 2017 states that this funding can help "provide further action to support people into more suitable accommodation and to adapt existing stock".
- 2.5 To help achieve the objectives set out above and make appropriate use of the additional funding, it will be necessary to revise the Private Sector Housing Assistance Policy setting out the types of assistance to be provided under the RRO and the eligibility criteria and conditions that will apply. Disabled Facilities Grants (DFG) conditions cannot be changed as these are subject to strict legislative controls but there is scope to offer additional forms of assistance. A copy of the proposed, revised policy is attached at Appendix A.
- 2.6 Listed below are the additional types of assistance that could be offered to disabled and older people and which are recommended for inclusion in the revised policy:
  - Disabled Adaptations Loan: this will provide an interest free loan of up to £15,000 for those cases where the cost of the adaptations works exceeds the maximum DFG grant of £30,000. On average there is one of these cases a year.

- Disabled Adaptation Grant:
  - (i) DFG's are subject to a strict means test which may require a financial contribution from the applicant. This can often be a barrier to the adaptation proceeding. This new proposed grant will pay up to £15,000 towards a disabled person's financial contribution.
  - (ii) In some cases an applicant's financial contribution exceeds the cost of the adaptation and they will not receive a grant. Again, this can act as a barrier. It is proposed that in such cases a Disabled Adaptation Grant with a less onerous means test will be offered. The maximum proposed grant will be £20,000.
- Stairlift Grant: this is a grant of up to £4,000 to provide an urgent stair lift in cases where a stairlift is required to prevent delayed discharge from hospital.
- Provision of a Hospital Discharge/Admissions Prevention Service through the Handy Person Service
  - (i) Family Mosaic currently manages the East Kent Homes Improvement Agency and the agencies in all other Kent Councils except for the in-house agency at Swale. Their service includes a Handy Person Service for elderly, disabled and vulnerable customers. The service provides a trusted assessor and DBS cleared 'handy person' to carry out small works at a subsidised cost e.g. putting up shelves, decorating, small repairs and maintenance type work. A number of Council's such as Shepway currently subsidise this service and it has proved to be very popular with residents. The referral rates for the service in Shepway are the highest in East Kent.
  - (ii) This service has now been widened to cover referrals from the local acute hospitals, Care Navigators, GPs, Occupational Therapists and health trainers for residents. It is being offered as a free service to patients who are over 50 years old and by tackling physical problems within the home environment it should help speed up some hospital discharges and prevent some hospital admissions. The type of practical, small works that can enable earlier discharges include installation of key safes, handrails, moving a bed into a downstairs room, clearing a room to make it easier and safer to move around in, fitting locks to doors and windows and carrying out a free home safety check.
  - (iii) The full cost of this enhanced service is £45,893 per annum which includes 1 FTE (DBS cleared) Handy Person, administration and managerial support, vehicle rental costs, insurance, fuel, vehicle tracking and graphics, uniform, blackberry and lone worker device costs, training (trusted assessor) and stationery (leaflets etc). It is proposed that the hospital discharge element of the service would be offered to clients for free, and a small materials budget of approximately £5000 would be allocated from the DFG budget. The total cost to be met from the Council's DFG allocation to provide this service would therefore be £50,893 pa.

- 2.7 Existing assistance to support people in their homes will continue with minor changes. These are:
- Disabled Home Assistance Grant; grant increased from £5,000 to £7,000
  - Disabled Relocation Grant; changed from a loan to a grant and increased to £20,000
  - Winter Warmth Grant increased from £5,000 to £7,000
- 2.8 The proposed new policy has been developed following a significant period of consultation with key stakeholders including; East Kent Coastal CCG, KCC, other East Kent Councils, East Kent Homes Improvement Agency, Dover District Disability Association, Dover Adult Strategic Partnership and NHS hospital discharge team.

#### Empty Homes Funding

- 2.9 Since 2007 Dover District Council has worked in partnership with KCC to deliver its No Use Empty (NUE) Home scheme. This provides interest free loans limited up to a maximum of £25k per unit to bring empty properties back into use. By 2015 the scheme had brought over 170 units back into use and resulted in over £8m of investment in the district.
- 2.10 Over the years, the scheme has been expanded to include more Councils but the amount of funding overall hasn't increased. As a result it has become more difficult for Council's to secure the amount of funding required. A number of Councils in Kent including Shepway, Thanet and Tunbridge Wells are now providing additional assistance to make the KCC scheme more attractive and to enable some of the larger projects obtain the level of funding needed. In recognition of the financial support being provided, KCC is now prioritising these Councils areas for NUE funding. If KCC NUE budget for loans becomes depleted those Councils not offering additional assistance may find that NUE funding in their district becomes more restricted.
- 2.11 It is therefore recommended that in addition to the KCC NUE loans the Council provides an additional loan of up to £15,000 per unit. This will increase the maximum available loan funding to £40,000 per dwelling. The DDC funding for each project will be restricted to a maximum of five dwellings which means the total DDC loan for any project would not exceed £75,000. The loans will be administered by KCC and the loan repayment period will be 3 years. It is proposed that projects in the wards of Castle, Maxton and Elms Vale and Tower Hamlets should receive priority for loans.
- 2.12 It is proposed that the total budget for the DDC empty homes loans scheme will be limited to £300,000. This money will be provided from the private sector housing loan capital budget. The loans will be secured by a charge on the property and the money repaid will be recycled into the scheme to help bring further empty homes back into use. The outcomes from increased funding will be monitored and if it is successful a recommendation to further increase the funding further may be made to Cabinet.

### **3. Equalities Considerations**

- 3.1 The proposed revised policy has been developed in consultation with a range of organisations representing people protected by the Equality Act. The proposed changes will have a high positive impact on elderly and disabled people. An equality impact assessment has been made which indicates no negative impact on any person with a protected characteristic.

3.2 The proposed service enhancements relating to the use of DFG funding reflects government guidance and will benefit older and physically disabled persons. An Equality Impact Assessment has been carried out which supports this.

#### 4. Identification of Options

4.1 Option 1: To approve the revisions to the Private Sector Housing Assistance Policy as set out in this report and included in the draft policy attached.

4.2 Option 2: Approve the revised Private Sector Housing Assistance Policy subject to further amendments.

4.3 Option 3: To reject the revised Housing Assistance Policy.

#### 5. Evaluation of Options

5.1 Option 1 is the recommended option as it will enable the Council to:

- More effectively utilise DFG funding in accordance with Government guidance.
- Maintain investment in tackling empty homes with the associated social and financial benefits for the District.

5.2 Option 2 will need to take account of:

- The increased additional DFG funding that will need to be spent and the objectives the funding is expected to meet in the Better Care Fund Policy Framework.
- The need to increase the number of homes in the District and the benefits to continue to obtain investment to reduce the number of empty properties particularly in the town centre of Dover. The benefit of leveraging in larger funds from third parties at a time of scarce financial resources.

5.3 Option 3 is not recommended as it will mean that DFG funding is not used effectively and in accordance with government guidance while a shortfall in empty homes funding is likely to result in fewer homes being brought back into use.

#### 6. Resource Implications

6.1 The additional funding that is being proposed for the different services is shown in the table below together with the source of the funding.

<b>Service Provision</b>	<b>Funding Provision</b>	<b>Funding Source</b>
Empty Homes Loans: additional loan funding to encourage property owners to bring empty homes back into use	£15k per home Maximum of £300k	PSH Loan Budget
Urgent Homes Loan:	Up to £17k per application	PSH Loan Budget
Disabled Adaptations Loan: interest free loan where cost of works exceeds £30k	Up to £15k per DFG application	Government DFG funding
Disabled Adaptation Grant: (i) DDC contribution to a DFG applicant's personal financial contribution	Up to 15K per application	Government DFG funding

(ii) Financial assistance where a DFG applicant's financial contribution exceeds the cost of the adaptation	Up to £20k per application	
Stairlift Grant: to fund urgent stairlift installations where it will avoid delayed hospital discharge	Up to £4k per application	Government DFG funding
Hospital discharge/admissions service: service delivered via the Home Improvement Agency handyperson service to enable small works aimed at cutting hospital admissions and reducing discharge times	£50,893 per annum	Government DFG funding
Disabled Home Assistance Grant:	Grant increased from £5-7k	PSH Renovation Grant Budget
Disabled Relocation Grant: changed from a grant to a loan	Increase from £15k To £20k	Government DFG funding
Winter Warmth Grant: help for vulnerable, low income households with boiler replacements etc	Grant increase from £5-£7k	Government DFG funding

6.2 All of the proposed new funding and increases in funding can be contained within current budgets. However, it is recognised that most of these services are largely demand led and that we are also in a period of financial uncertainty. Budget spend will therefore need to be closely monitored and the scheme reviewed and amended should a potential budget pressure be identified. However, government DFG funding has increased significantly in recent years and it's important that we try to utilise the current funding in the most effective way possible.

6.3 Expenditure on Empty Homes Loans will be dependent on the amount of income generated from the repayment of existing loans that can be recycled. If the scheme proves to be successful and additional funding is required to meet demand a further report will be submitted to Cabinet identifying how any enhanced scheme could be funded.

## 7. Corporate Implications

7.1 Comment from the Director of Finance (linked to the MTFP): Accountancy has been consulted and has no further comment to add. (DL)

7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

7.3 Comment from the Equalities Officer: 'The report has given consideration to the equality implications and the revised policy is designed to benefit and have a positive impact on some of the protected groups under the Equality Act 2010. Members are required to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15>.'

7.4 Comments from other officers: The Home Energy Conservation Act 1995 and the Warm Homes and Energy Conservation Act 2000 place a statutory duty upon Councils to reduce levels of fuel poverty in the district. Delivering Affordable Warmth, A Fuel Poverty Strategy for Kent outlines how fuel poverty can be tackled effectively through partnership working and maximisation of resources. Therefore changes to the Private Sector Housing Assistance Policy that release additional funding to increase the thermal efficiency of homes will have a positive impact on the number of households vulnerable to fuel poverty and cold home-related health problems in the district.

## 8. Appendices

Appendix 1 – Revised Private Sector Housing Assistance Policy 2017

9. **Background Papers**

Existing Housing Assistance Policy 2012

Department of Health/DCLG "2016/17 Better Care Fund Policy Framework"(January 2016) Private Sector Housing Policy 2010-15

Department of Health/DCLG "Integration and BCF Policy Framework 2017-19" (March 2017)

Contact Officer: Mr Robin Kennedy, Private Sector Housing Manager (ext 2221).