

HOUSING RENEWAL ASSISTANCE POLICY 2012-16

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Portfolio: Regeneration and Planning

Ward(s) affected: All

Purpose of the Report

To outline the requirement to review the Housing Renewal Assistance Policy and to seek approval to a revised Policy.

Recommendation

To adopt the Housing Renewal Assistance Policy 2012-2016.

Reasons

The current policy was adopted in 2010 and includes assistance available through regional housing funding which ceased at the end of the last financial year. In line with funding changes Officers are recommending that several aspects of the current policy are reviewed to give greater clarity to customers as to the likely assistance available. The report highlights several areas of change where assistance will be tighter to focus funding to assisting residents in need. The proposed changes also remove the Regional Kick Start Home Loans and the report highlights that officers will work with partner agencies to secure access for home owners to suitable alternative home loans where possible.

1. Background

1.1 The Council has a statutory obligation through the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to produce, publish and act in accordance with a policy on housing renewal assistance which sets out:

- How much assistance is available and in what form.
- Who is eligible for assistance and in what circumstances support is provided.
- The form and process for applying for assistance.
- The circumstances in which repayment of financial assistance will be required.
- The advice that is available to help people access assistance.

2. Issues

2.1 The current policy was adopted in February 2010 and includes assistance available through regional housing schemes such as the regional Kick Start home loans scheme. This ceased to accept new customers at the end of last financial year in line with the end of Regional Housing funding. It is therefore reasonable that the Council reviews this element of the policy.

2.2 With the end of regional housing funding the amount of funding available for housing assistance is less and therefore support needs to be targeted to those in the greatest need and taking into account the number of residents eligible for assistance. The current policy therefore needs reviewing to refocus funding where needed and to provide greater clarity to customers over the likelihood of assistance.

3. **Options Considered**

- 3.1 The Council has a statutory obligation to adopt a Housing Renewal Assistance Policy so the only options relate to the content of the policy.
- 3.2 The government guidance on housing renewal assistance policies states that “a blanket ‘no assistance policy’, whether for grants, loans or both, would be unacceptable” because this would not adequately address the housing needs within the borough.

4. **Proposal and Reasons for Preferred Solution**

- 4.1 Officers have been working with partner agencies to review the current schemes included in the current policy. Following these discussions a consultation document highlighting the main proposed changes and a proposed revised policy was issued for consultation. Officers then had further discussions with key agencies, primarily the County Council in relation to the delivery of Disabled Facilities Grants, to agree a recommended approach. The key issues, consultation comments and preferred solution are listed below and included in the recommended revised Housing Assistance Policy 2012-16.

4.2 **Loans**

Given the pressure on local authority resources available for private sector renewal the Council has for several years promoted loans as an option to homeowners to renovate their dwellings

In 2010 the council was a member of the West Midlands Kick Start Partnership that provided loans to people on low income for home repairs, maintenance and improvements. The Government funding for Kick Start has been withdrawn and the scheme is now closed to new applicants.

The council’s Housing Conditions Survey in 2008 estimated equity potential within the owner-occupied sector at a substantial £4.953 billion. 11% of owner-occupiers said they would re-mortgage to carry out repairs; 6% said they would be interested in a Council sponsored scheme for equity release. The evidence of Kick Start was that few people actually turned this apparent intention into a loan application, however for those proceeding with a loan they have benefited from significant home improvements.

- 4.3 Revival Home Improvement Agency have spent several months investigating options to make loans available to residents which as with Kick-Start can be made available in conjunction with all the North Staffordshire Local Authorities. Whilst the Council and Revival cannot advise or recommend to residents that they have a loan, it is appropriate that information on the availability of loans is available. The revised policy therefore highlights that the Council will signpost residents to Revival, who may then provide information on available loans. Throughout the process it will be made clear that the home owner should seek Independent Financial Advice and that officers cannot provide this advice. Revival aim to agree partnerships with suitable loan providers and launch the home loans in February 2012. It is important to note that whilst home loans may assist some vulnerable residents they may not be suitable for all residents and types of assistance. It will be necessary for the Council to make provision to assist, where there is no prospect of alternative funding, in circumstances where housing conditions are so unacceptable that there is a serious risk to the health and safety of occupants. Accordingly there is provision for emergency repair assistance within the policy.

4.4 Disabled Facilities Grants

This is a mandatory grant of up to £30,000 to help a disabled person live at home. Applicants are means tested unless the works are for the benefit of a person under 18 years of age.

One of the issues discussed during the consultation on options to revise the Housing Renewal Policy was to balance the increasing costs of meeting individual complex needs of vulnerable residents using limited finance. Consultee's quite rightly highlighted that 'The implementation of the changes proposed will negatively impact on vulnerable and disabled citizen's independence, choice and well being and their ability to remain in their own home in the community, particularly those with the highest level of need. Clearly these proposed policy changes will impact on Staffordshire County Council's budget creating additional cost pressures, particularly for services supporting disabled children.'

Officers at the Borough Council would not disagree with statement and in an ideal world would support increasing the amount of funding allocated to DFGs. It is important to note that the Government has recognised the need to support vulnerable people with aids and adaptations particularly to enable hospital discharge. The Government has just announced that an additional £150million will be allocated nationally to Social Services and a further £20million will be allocated nationally to District Councils for the provision of DFGs. For the current year however the allocation is already fully committed. The issue is therefore not that the customers are the most vulnerable but that we have to assist them most appropriately within the resources available.

A resident of the borough over the age of 18 who makes an application for a DFG to adapt their home will be subject to the standard statutory means test. This may be carried out by one of the Council's Revenue Assistants or by the Revival Home Improvement Agency on behalf of the Council. If the means test determines that the applicant should make a contribution towards the cost of the adaptation the Council may ask for evidence that the applicant has sufficient means to do so and ensure the adaptation is completed in full before the grant is approved. Applications for people with a disability that are under the age of 18 are most subject to the means test.

4.5 Withdrawal of £5K discretionary DFG top up

The previous policy included provision for a discretionary £5,000 grant where the cost of the works needed for a disabled adaptation exceeded the maximum grant of £30,000 and all other possibilities of funding had been exhausted. The majority of People with a disability that apply for a grant need less than the maximum to fund a minor adaptation such as a change from a bathroom to a level-access shower room or equipment such as a stair-lift can while it is much more common for those requiring an extension to request cost significantly more than £30,000, such that even with an additional £5,000 there may be insufficient to complete the adaptation. Removing the £5,000 discretionary DFG top up in the revised policy the Council will be able to support appropriate DFG's and clarify to customers that extensions may be unsuitable and where appropriate housing advice will be given to enable customers to review their housing options. This may lead to some customers moving house and smaller level adaptations being undertaken in their new home.

In 2010/11 Newcastle Borough Council approved 2 discretionary top up grants totalling a sum of £7,989.10 (one of these was an Aspire tenant and other was an owner occupier who had a mixture of funding including a loan, of these one was for a disabled child and one for an adult).

Consultee's have made the comment that removing the £5k discretionary top up will have

the following impact:

- (1) “Extend the end to end time for possessing a DFG, as other funding streams are pursued which previously demonstrate a significant delay in the process. This will result in a reduction in DFG performance in Newcastle and that of the whole County of Staffordshire.”
- (2) “Any further delay in process may impact on the applicant’s health and well being which could result in further interventions such as increased care package, hospital admission or care in a residential setting or carer breakdown.”
- (3) “If additional sources of funding cannot be identified the DFG may be at risk of not progressing, impacting on the applicant’s ability to remain at home and wasting valuable time and resources to process the grant to this stage.”

Whilst these points are valid and should be considered it is important to highlight that the 5 DFG applications that were over the £30,000 (including 3 that didn’t have a discretionary grant) had these issues. In effect the removal of the £5,000 top up will mean that on average 2 applicants will need additional support to find alternative funding or will be considered for prioritisation for rehousing. As part of the Housing Renewal Assistance Policy the Council is also seeking to support the delivery of home loans through the Home Improvement Agency and these may be utilised in the future to top up DFGs. It is also worth noting that in some circumstances the County Council also provides discretionary means-tested grants/loans where required.

Consultee’s have highlighted that for the costs paid out it is worth keeping this element and have requested that the Council’s keeps the option to have a discretionary grant and adopts criteria for this. Whilst this would be beneficial for the vulnerable customers that would benefit, it is felt that this may create uncertainty and increased processing where additional checks, criteria and appeals can be generated by a discretionary process. Where the applicant owns their home it is also important to note that should the Council offer a discretionary grant with a limited budget this would mean refusing a mandatory grant.

Officers have reviewed other Staffordshire LA’s policies and no other Council offers discretionary top up grants. The proposed policy therefore excludes discretionary top up grants.

4.6 Disabled adaptations estimated at more than the maximum grant

It is now the case that where the quotations for the work will, or are likely to exceed £30,000 the council will recommend that the applicant has a housing options interview with the Newcastle Housing Advice Service before proceeding with their application. This will enable the customer to discuss their housing options to ascertain if moving to a new more suitable home is appropriate for them.

The Council will review whether the proposed scheme of work is necessary, appropriate, practical and reasonable. Section 23(3) of the Housing Grants, Construction and Regeneration Act 1996 states that “If in the opinion of the local housing authority the relevant works are more or less extensive than is necessary to achieve any of the purposes set out in subsection (1), they may, with the consent of the applicant, treat the application as varied so that the relevant works are limited to or, as the case may be, include such works as seem to the authority to be necessary for that purpose.”

The Council will also require evidence that a shortfall in funding can be met by the applicant. If this evidence is not available the council may refuse the grant application as being not “practical or reasonable”. It may still be possible for the grant to proceed if the applicant can fund the shortfall themselves from their own or from charitable funds.

Consultees have understandably highlighted that the Borough Council has a duty to assess what is necessary and appropriate and then practical and reasonable for all applications. Consultees have requested that the whole process for DFGs is amended to ensure that housing options is incorporated as an integral part of the process for all applicants, not just those who will or are likely to exceed £30,000.

It is important to highlight that the Council works in partnership with other agencies to support vulnerable people and that referrals between teams can be made but may prove to be timely and could create delays to the process. Officers have therefore recommended targeting housing advice to those who may not be able to afford the DFG top up and for whom the advice and support for rehousing to a more suitable home is a viable option. It is important to note that most vulnerable people do not wish to leave their current home and it is only where their needs can not be met by a DFG will they be likely to consider moving house.

Consultees have also commented that this proposed change will affect the costs of service delivery and therefore a targeted approach needs to be adopted to ensure that the service is cost effective.

4.7 Funding Equipment for people with a disability

The purposes for which a disabled grant must be approved include:

- "facilitating access by the disabled occupant to, or providing for the disabled occupant, a room in which there is a lavatory, or facilitating the use by the disabled occupant of such a facility;(f)facilitating access by the disabled occupant to, or;
- providing for the disabled occupant, a room in which there is a bath or shower (or both), or facilitating the use by the disabled occupant of such a facility;(g)facilitating access by the disabled occupant to, or providing for the disabled occupant, a room in which there is a wash hand basin, or facilitating the use by the disabled occupant of such a facility

In the past these words have been interpreted to include the provision of specialist (and costly) equipment to be purchased, installed and commissioned:

- Clos-o-mat lavatory (typical cost £5,000)
- Rise and fall hand basin
- Rise-and-fall specialist bath (typical cost £8,000)

Last year the Council funded the installation of 2 rising baths and 3 Clos-O-Mat toilets.

As part of the consultation Officers discussed options to agree a protocol that would provide clarity over where this specialised equipment should be funded from. It is worth noting that the County Council is currently reviewing the DFG process and at the time of writing this report it is unknown if specialised equipment will form part of the review. Officers from both the Borough and County Council have therefore recognised the benefits of not altering the current processes and are recommending that the policy says that 'the Borough Council may fund specialised equipment' enabling both Council's to contribute to the costs of specialised equipment where appropriate.

4.8 Other Issues Raised through the Consultation

Match funding for DFGs; it has been highlighted that a proportion of residents write to the Council to say that they have additional funds in place to support home adaptations when in

fact they don't. This could be seen as simply an error on the behalf of the resident, however it should be noted that the customers are vulnerable and often seeking any support for their housing issues. One consultee has highlighted that the Home Improvement Agency should be checking for evidence of any addition funds to reduce any unnecessary customer expectation. Officers will discuss this further with the Home Improvement Agency and will seek to make any relevant procedural improvements.

One consultee has highlighted that where an extension (which may be due to internal room layout) is required that the Occupational Therapist is clear with the customer that they should be seeking to move house. Borough Council Officers are already trying to give customers a realistic view of the likelihood of a DFG meeting the needs of the customer, it is hoped that through regular liaison with all partner agencies that all support staff are able to appropriately advise customers and where rehousing is an appropriate solution that they receive this advice.

4.9 **Tighter eligibility for Emergency Assistance**

The current policy is based on a proportion of an emergency assistance grant being repaid if the home transfers ownership within 5 years, indeed it is a condition that the applicant declares that it is their intention to remain for five years. In most cases by repairing the home the vulnerable resident is able to remain in their home, however in a very few cases the home transfers ownership, normally through an open market sale. In these circumstances the Council currently requires that a proportion is repaid based on the length of time the works have been completed, so the applicant will be required to repay to the Council one fifth of the grant for each full or part year remaining of the five year term. (For example if the property was sold after 2.5 years, 3/5 of the grant must be repaid).

Through the consultation period officers sought partner agencies views on making the pay back period for Emergency Assistance more stringent with repayment charges made for up to 10 years where assistance had been between £5,000 and £10,000. In light of the limited funding and the establishment of a home loan scheme with Revival, the Emergency Assistance has been reduced to a maximum of £5,000 and only where a home loan can't be accessed.

- 4.10 The proposed policy confirms that customers can appeal any decision under the Housing Renewal Assistance Policy by contacting the Principal Environmental Health Housing Officer. This has been amended from the current policy which lists the Executive Director to reflect current working practices and enables more Senior Officers to consider appeals or complaints.

5. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

- 5.1 The Housing Renewal Assistance Policy reflects the priorities in the Corporate Plan. In particular:
- ***Creating a Cleaner, Safer and Sustainable Borough*** - by encouraging residents to install energy conservation measures at home and assisting home owners to ensure that their homes are safe and decent to live in.
 - ***Creating a Borough of Opportunity-*** *encouraging the improvement of existing private sector homes and increasing the availability of good quality accommodation for the boroughs residents*
 - ***Creating a Healthy and Active Community*** – by helping to improve unhealthy housing conditions and reducing inequality by targeting resources to the most disadvantage communities

- ***Transforming our Council to achieve excellence*** - by working in partnership with other relevant organisations to target and deliver improvements the outcomes of the Housing Renewal Assistance Policy are residents who are assisted to be able to live in a home that meet their needs. The policy is deliberately targeted at those in greatest need and at areas and types of houses where the worst conditions are found.

6. **Legal and Statutory Implications**

- 6.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 allowed local authorities to make use of loan-based assistance and other types of housing assistance providing that they had adopted a policy setting out how the new powers would be used. The Council is therefore required to adopt a Housing Renewal Assistance Policy and to act in accordance with that policy.

7. **Equality Impact Assessment**

- 7.1 A Service Impact Assessment has been completed and highlights that the investment through the Housing Renewal Assistance Policy positively impacts on the most vulnerable residents of the Borough but that limits on finance also mean that assistance is limited. In particular the Service Impact Assessment recognises that disabled children often have the greatest needs.

8. **Financial and Resource Implications**

- 8.1 The budget for financial assistance is set annually and takes into account the amounts of external funding received. This policy will be used to prioritise the use of housing assistance funding and sets out the conditions of the assistance.

9. **Major Risks**

- 9.1 The key risk relates to insufficient funding to enable the Council to make all of the forms of assistance available. This is mitigated by the policy stating that all forms of assistance are subject to sufficient resources being available.

Reductions in funding will prevent the Council from assisting vulnerable households to improve their living conditions.

If the Council did not adopt a policy it would be unlawful to provide financial assistance in accordance with the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

10. **Key Decision Information**

- 10.1 This is a key decision because it involves vulnerable residents in all wards.

11. **Earlier Cabinet/Committee Resolutions**

- 11.1 The current Housing Renewal Assistance Policy was adopted in February 2010.

13. **List of Appendices**

- 13.1 The proposed Housing Renewal Assistance Policy 2012-2016 is available in the Members' Room or electronically on request. Following adoption it will also be published on the Council's website.

14. **Background Papers**

None.