

Adoption of Private Sector Housing Assistance Policy

Housing Committee Tuesday, 4 October 2022

Report of: Executive Head of Communities

Purpose: For decision

Publication status: Unrestricted

Wards affected: All

Executive summary:

The Private Sector Housing Assistance Policy ('the Policy') sets out the types of financial assistance available from the Council to undertake essential works and disabled adaptations, in the form of grants or loans, along with any conditions attached to receiving this financial help. These are as follows:

- **Mandatory Disabled Facility Grants (DFGs)**, which are provided under the Housing Grants Construction and Regeneration Act 1996 to support the provision of adaptations to promote independent living within the home. Local Authorities have a statutory duty to provide mandatory DFGs to applicants who qualify.
- **Discretionary financial assistance**, given under Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) order, which enables Council's to make funding available to carry out repairs, improvements and adaptations, along with the conditions attached to any discretionary award made.

The Council has consulted widely on the draft Private Sector Housing Assistance Policy and made some revisions. The Committee is invited to approve and adopt the final text of the new policy which is set out in Appendix A.

This report supports the Council's priority of: Creating the homes, infrastructure and environment we need.

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Recommendation to Committee:

That the Committee adopt the final version of the Private Sector Housing Assistance Policy at Appendix A.

Reason for recommendation:

The current Policy has not been reviewed since 2018 and needs to be updated to ensure that best practice is adopted, to ensure funding decisions are made lawfully, transparently, and consistently and that the support available is targeted effectively to meet the needs of vulnerable and disabled residents.

Introduction and background

- 1 At the Committee on 21st June 2022, Members gave approval for Officers to carry out non-statutory public consultation on the draft Private Sector Housing Assistance Policy, following a two-week consultation period with Members regarding the draft policy.
 - 1.1 Public consultation commenced on 18th July 2022 and concluded on 12th August 2022.
 - 1.2 Consultation included direct contact with Surrey County Council's Occupational Therapy Teams for both adults and children, the District's Health and Wellbeing Board, Citizens Advice Bureau, community disability representative groups, Housing Associations operating in the District and Council colleagues. A survey was also produced and promoted on the Council's website for residents to complete, which additionally was promoted via the Council's social media pages and in the Council's e-newsletter to residents.
 - 1.3 Following the conclusion of consultation, the Policy has been revised further and the final version is attached. Members are asked to consider the final version of the Policy before agreeing to adopt it.

Other options considered

- 2 Consideration was given to not reviewing this policy at this time but that would have left the Council operating under a policy that was out of date and which does not reflect best practice.

Consultation

- 3 Clarion Housing Association have agreed to provide a financial contribution towards works in their homes in the District in line with the Policy at Appendix A as follows:

- works costing up to £1,000 Clarion to fund 100%.
- works costing between £1,000 and £10,000, Clarion to fund 40% and the Council to fund 60% (where DFG eligible).
- works costing between £10,000 - £30,000, the Council to fund 100% (where DFG eligible).

- 3.1 While consultation with Housing Associations has concluded, there is a need for ongoing discussions with some housing providers regarding their provision of a financial contribution towards major works.
- 3.2 Raven Housing Association have advised they are unable to enter discussions on this point at present as they currently do not have an officer in post responsible for major adaptations. The new post holder commences in September 2022 and in preparation for them starting in this role, Raven have asked for data from previous years, so they can understand the level of budget impact of this request. They have committed to reviewing our request when the new Adaptations Manager commences their role, along with confirming the potential to take any funding request to their budget setting meetings in November 2022.
- 3.3 London and Quadrant (L&Q) advised they were unable to assist with financial contributions as they are transferring the stock they own in our District to Southern Housing Group in December 2022. This Council has explained that in the interim until the stock is transferred, the Council will formally request a contribution on a case by case basis as the need arises. We have asked L&Q to make Southern Housing Group aware of the need to contribute towards major adaptation works in their homes when they take over the stock (which they have agreed to do) and Officers from this Council will continue this conversation with Southern Housing Group directly later in the year.
- 3.4 MOAT declined to comment regarding the consultation as they only own two equity loan properties in the District, so there is no impact at present for them arising from this change.
- 3.5 Other larger sized Associations did not respond to the consultation (Habinteg, Guinness Trust, Rosebury and Optivo). Officers will follow up and continue the conversation regarding the provision of a contribution towards major works in due course and will advise them of the change in policy, (if the new

Policy is adopted). If any cases arise before agreement is reached they will be discussed individually on a case by case basis.

- 3.6 Depending on the progress of these discussions, Officers will decide later in the year whether to take this issue to the Surrey wide aids and adaptations group to discuss further.
- 3.7 There have also been discussions with smaller providers, but it quickly became apparent that it is not equitable or practical to request a financial contribution from associations who have less than 50 units in total nationwide.
- 3.8 Housing providers who hold 50 units or less tend to be small charities, almshouses and trusts and are not for profit organisations providing low cost community housing, usually with support, for local people in housing need. The smallest ones are run by volunteers and rely on fundraising, donations and legacies so have limited funding capacity. The small providers spoken to also advised they have a low turnover of tenants, often retaining the same tenants for 20 years or more and that they do try to fund as much of the adaptation works as they can from their own budgets and would only approach the Council for assistance with very large works. This means that it is likely that the works they would seek assistance with would be higher cost and more likely therefore, to be fully funded by the Council under the Policy. If these smaller providers began to approach the Council for more works between £1,000 and £10,000, this would have a detrimental impact on the DFG budget.
- 3.9 A review of major adaptations funded over the last three years confirms that there were no cases of major works completed in the homes of registered housing providers who own less than 50 units. Officers therefore recommend taking a pragmatic approach by awarding these small providers "de minimis" status in the new Policy as their budgetary impact on Disabled Facility Grants is so small, it can be considered immaterial. In addition, as highlighted previously in this report, if more smaller providers with 50 units or less came forward to request funding for mid-range cost adaptations between £1,000 and £10,000, this could be detrimental to the Council's budget. Granting de minimis status in this way would have a negligible impact on the Council as it is by focussing the requirement for a contribution towards the larger associations is where this Policy change will have the most impact
- 3.10 Consideration has been given to charging these smaller providers a lesser amount than that set out in the Policy, but it is not practical to do so as this approach would create an unhelpful level of complexity and challenge and could cost the Council more as there would be a need to pay for more works for smaller providers than currently. Complexities around the level of contribution would develop as what may be considered a reasonable percentage to request from one small provider, may not be reasonable for another smaller provider and will create opportunities for challenge. This approach would also cause delays for disabled people in a situation where the Council cannot enforce the payment of a contribution.

3.11 This complexity would also impact on wider negotiations should this discussion be taken to the Surrey wide aids and adaptations group to seek a collective conversation with regards to securing a financial contribution towards major works. It is most unlikely that other authorities across Surrey would agree to request a financial contribution from small charities and trusts for the reasons set out in this report. To be successful as a collective group, there would be a strong need for parity and to harmonise the approach taken to obtain a Surrey wide consensus, but this will be even more difficult if providers are treated differently.

3.12 Consultation comments were also received from the Adult Occupational Therapy team which mainly requested some clarifications and corrected errors and omissions, as did the consultation with Council colleagues.

3.13 Six people responded to the survey published on the website. Five responses agreed with the following proposals, with just one response not in agreement for each one:

- That Council Tax Support should be included as a passported benefit;
- That a discretionary grant of up to £2,000 should be introduced to alleviate hardship;
- That funding should be repaid so it can be used to help other people in future;
- That funding should be made available for a Winter Warmth Loan for people with qualifying health conditions;
- That funding should be made available to install stairlifts and/or ramps up to the value of £15,000 without applying a means test, meaning they are free to all, irrespective of income and capital. However, following consultation it has been considered prudent to amend this award due to the anticipated strong uptake of the Winter Warmth Loan following the broadening of the eligibility criteria as a result of consultation. This £15,000 award has now been reduced to funding a stairlift or modular ramp only (not both) to the value of £10,000 without applying any means test.

3.14 Some additional commentary was provided in relation to these proposals, which was considered and reviewed in detail but did not result in any significant changes being made to the Policy. Full details are set out in the consultation statement that supports this Policy.

3.15 Four responses disagreed (and one agreed) that loans of up to £7,000 should be made available and interest charged on the loan given to cover serious disrepair in owner occupied homes.

3.16 Some additional commentary was provided with these responses as follows:

- Concerns about repayment were raised at the point the property was sold, should the applicants home fall into negative equity;
- Concerns that people will not understand what compound interest is and this will put people off taking up much needed help;

- Concerns that this assistance is not available to those in privately rented accommodation;
- A suggestion that the interest rate proposed is too low.

3.17 The loan of up to £7,000 to remedy serious disrepair has been so designed to promote responsible borrowing, as it is likely to be taken up by residents whose credit rating prevents them from borrowing on the high street. This help is being made available as the Council is committed to providing access to responsible borrowing to widen access to savings and credit as part of Levelling Up goals, as well as achieving the overarching purpose of this Policy which is to improve people's housing conditions to achieve better health and wellbeing outcomes. This ambition to widen access to responsible credit and to improve housing conditions must be balanced with the need to take all reasonable steps to protect public funds for the benefit of all residents and so interest is charged so that the loan hasn't been totally devalued by inflation when it is repaid many years into the future. To avoid excess profit making on loans, Officers have recommended that a low interest rate is charged at base rate plus 1.5% as annual compound interest and it remains the view of Officers that this is a reasonable approach.

3.18 When deciding to award a loan, it is set out in the Policy that the Council will consider the value of any mortgage or other loans secured on the property and any large unsecured debts before agreeing the funding and will undertake a careful evaluation as to whether the loan should be given. If the loan goes ahead, it will be registered as a full legal charge on the property and where this is not possible a local land charge will be registered instead. At the point the loan is due for repayment, should there be insufficient equity in the property to repay the loan, then a decision will be made on recovering the debt in line with the Council's corporate policy on writing off debt, taking into account the cost and likelihood of recovery and any other significant factors.

3.19 The comment regarding how easily understood compound interest is has been noted. Officers will ensure that service information and loan documentation developed to support this category of financial assistance explains this clearly and simply, using everyday language so that it is easy to understand.

3.20 There were no comments from any other sources.

3.21 The Policy will be reviewed again by officers in both six and twelve months' time from adoption to ensure that it is working effectively, without any unintended impacts. Should any issues arise during this time, they will be brought to the attention of the Housing Committee and the policy adjusted if necessary.

Key implications

Comments of the Chief Finance Officer

Although the funding of the projects come from Better Care Funding we still must ensure that we get value for money and distribute funding in a fair, transparent and robust way that stands up to external scrutiny.

It is important to ensure that the Council only undertake adaptations and works which they are responsible for and that they are targeted towards households with greatest need.

Given the constrained financial environment in which the Council operates, adaptation spending must be kept within the available amount. This is achieved by managing in-year variances through grant-funded reserves ring-fenced for the purpose and by careful monitoring of grants against the available budget.

Comments of the Head of Legal Services

Under the Housing Grants, Construction and Regeneration Act 1996, supported by amendments through the Housing Renewal Grants (Services and Charges) Order 1996 and the Regulatory Reform (Housing Assistance) Order 2002 subject to certain eligibility criteria being met, the Council has a statutory duty to provide disabled facilities grants and general power to provide discretionary financial assistance if needed. The proposed Policy provides a formal framework against which the Council can deliver mandatory grants and exercise its discretion in providing financial assistance under the increased powers provided for by the legislation.

Article 4 of the Order prohibits the giving of assistance unless the local housing authority has adopted a policy for the provision of such assistance and they have given the public notice of such adoption. Once adopted, the power to provide financial assistance must be exercised in accordance with the policy.

The adoption of a revised Policy allows both the efficient use of the budget and improves the outcomes for disabled residents, tenants, and owner occupiers alike. Offering a wider range of discretionary assistance will enable the Council to assist a greater number of disabled people, their families, and carers and to help people remain as well as possible at home.

Equality

The Equality Act 2010 defines a disabled person as someone who has a physical or mental impairment which has a substantial and long term adverse effect on his or her ability to carry out normal day to day activities. Disability is a "protected characteristic" within the meaning of that Act. Section 149 of the Act imposes upon public authorities a duty (the "Public Sector Equality Duty") to advance equality of opportunity between persons who share a relevant protected characteristic (such as disability) and persons who do not share it, and also to remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic.

A Preliminary Equality Impact Assessment has been completed which will be updated following the conclusion of the consultation period. A copy of this assessment is available as Appendix 'B' of the background papers to this report.

The Private Sector Housing Assistance Policy is specifically aimed at vulnerable and disabled people with a clinical need for adaptations and repair works to their home. The service promotes independent living for disabled people, improving their quality of life.

The policy ensures that the Council fulfils its duties to promote equality and eliminate discrimination.

Climate change

The Council will where possible ensure that materials used are sourced from sustainable materials and work with its contractors to ensure materials are recycled

Appendices

Appendix 'A' - Private Sector Housing Assistance Policy (FINAL)

Background papers

- 1) The preliminary Equality Impact Assessment has been finalised and is available as a background paper on request or [here](#).
- 2) The consultation statement for this Policy is available as a background paper on request or [here](#).

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