

**CHILTERN DISTRICT COUNCIL
CABINET - 6 MAY 2014**

Background Papers, if any, are specified at the end of the Report

HOUSING FINANCIAL ASSISTANCE POLICY

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RECOMMENDATIONS

- 1. That the position regarding Disabled Facilities Grant funding is noted.**
- 2. That £50,000 is transferred from the provisional capital sum for 2014-15 and transferred to 2014-15 approved and committed capital programme for the delivery of discretionary Housing Financial Assistance during 2014-15**

Relationship to Council Objectives

Efficient and Effective customer focused services.

Safe, healthy and cohesive community.

Implications

- (i) This is a key decision within the forward plan.*
- (ii) It is within the policy and budgetary framework.*

Financial Implications

The Private Sector Housing Strategy requires that action is taken to tackle hazards in housing. As part of a range of actions to achieve this, the Council operates a number of grant and loan programmes including the Flexible Home Loan Scheme targeted at people aged over 60 and funded through a grant received in 2008/09 from the Regional Housing Board. Council Renovation Grants and Loans are targeted at those households that are not eligible for the Flexible Home Loan scheme. If the Council decided to end its programme of Grants and Loans, it would still have a statutory responsibility to undertake enforcement action to tackle category 1 hazards (i.e. hazards posing a significant risk to health and safety). This would have implications for the revenue budgets through the costs involved in funding works in default, appeals to the Residential Property Tribunal against enforcement action and prosecution of landlords etc

for failure to comply with enforcement action. The revenue implication could include the costs of works in default, additional staff costs and legal costs, as well as the opportunity costs of staff not being able to deliver against the wider housing programme.

To maximise efficiencies it is recommended that a targeted Housing Assistance programme offering loans and grants continues. This would require a transfer of capital from the provisional capital sum for 2014/15 and transferred to 2014/15 approved and committed capital programme.

Risk Implications

The effect of failing to secure improvements to properties can lead to an increased risk of homelessness, more empty properties, preventable accidents, long term illness and health inequalities for younger and older people. It would also adversely affect the Council's Key Objective of assessing and meeting local housing needs.

Equalities Implications

The delivery of Disabled Facilities Grants and discretionary financial assistance will enable the Council to support vulnerable households who are most at risk of poor health, accidents and/or homelessness through poor housing conditions.

Sustainability Implications

Delivery of a programme of Renovation Grants and Loans will enable incentives to be offered to householders to install insulation measures and will therefore support targets in relation to domestic carbon dioxide emissions (NI 186).

Report

1. The Council has a statutory duty to regularly review housing conditions in its area and take action to tackle serious health hazards in housing. One tool the Council uses to improve housing conditions is to offer financial assistance in the form of grants and loans under the Housing Grants, Construction and Regeneration Act 1996 and the Regulatory Reform (Housing Assistance) Order 2002.
2. The purpose of this report is to
 - update Members on the budget position for mandatory Disabled Facilities Grants and
 - seek capital funding to continue its programme of discretionary renovation grants and loans.

Disabled Facilities Grants

3. The Disabled Facilities Grant (DFG) is a mandatory means-tested grant given for adaptations to the homes of disabled people to ensure that they have access into and out of the home and to the essential facilities within it.
- 4 Demand for DFG funding has been at high levels over the last five years due to a number of factors including
 - The aging population – Over 60% of applications are from people aged 60 and over.
 - Improved survival rates for severely disabled children, coupled with the ending of means testing for children’s applications.
 - Increase in the number of complex and more expensive adaptations recommended

DFGs	2012/13	2011/12	2010/11	2009/10	2008/09
Number Approved	74	80	94	71	62
Amount approved (£)	479,000	446,000	599,000	484,000	358,000
Number Completed	80	94	86	69	47
Total Expenditure (£)	444,000	498,000	586,000	457,000	306,000

5. Future demand can be difficult to predict as the Occupational Therapists are not able to advise which cases on their waiting lists will result in a DFG referral. Referrals tend to be received at an average rate of 10 per month, though this is dependent upon OT availability and can vary dramatically. At 21st March 2014, there were 58 unapproved referrals with an estimated budget requirement of £480,000.
6. The authority receives government subsidy for its DFG programme which is supplemented by the authority’s own capital. As a high proportion of DFGs are awarded to Paradigm tenants, the Council has secured an annual capital contribution towards its DFG programme from Paradigm Housing Group since 2006.
7. In order to better manage the demand for DFG resources, the following actions have also been taken:
 - Implementation of a repayment clause to allow reclaim of DFG funds in the event properties are sold within 10 years of completion of the works.
 - Implementation of a ‘priority’ approval system, which enables payment of DFGs funds to be deferred for up to 12 months, if necessary, to allow more control over expenditure.

- Promotion of flexible home improvement loans to enable older home owners to carry out pre-emptive adjustments to their homes to make it suitable for older age (and therefore avoid the need to apply for DFG).
 - Implementation of procedures to ensure better consideration of alternative options (i.e. a move to more suitable accommodation) for Paradigm tenants before major adaptations are agreed.
8. The approved capital programme for DFGs in 2014/15 currently stands at £390,000 made up as follows:

Government subsidy	£240,000
Chiltern DC	£ 90,000
Paradigm Housing	£ 60,000

9. The government allocation for 2014/15 has been confirmed as £250,000 and Paradigm has agreed to increase their contribution to £135,000 in 2014/15 in order to address increased demand from their tenants. Accordingly, the DFG programme can be boosted to £475,000 in 2014/15 without requiring any increase in CDC's annual contribution of £90,000.

DFG Allocation from 2015/16: Better Care Fund

10. In July 13, as part of the government spending review, it was announced that from 2015-16 the central government funding for DFGs will be provided by Department of Health rather than DCLG and paid to the Clinical Commissioning Group (CCG) as part of the new Better Care Fund.
11. The Better Care Fund aims to bring about better integration of health and social care and is described as a *'single pooled budget for health & social care services to work more closely together in local areas based on a plan agreed between the NHS & local authorities'*.
12. Whilst the Better Care Fund does not come in to full effect until 2015-16, the Health and Well Being Board have to prepare and agree plans for the use of the funding by the end of March 2014.
13. As part of the Better Care Fund plan in Buckinghamshire, the Council will be working with the CCG and Social Services to identify and implement new ways of working to derive greater benefit for service users.
14. The government has given a direction to CCGs as to the minimum level of DFG capital to be allocated to housing authorities from the Better Care Fund in 2015/16 and Chiltern is expecting an allocation of £296,000. Officers will seek to maintain or increase this annual

allocation from the Better Care Fund for the duration of the current BCF Plan.

15. Currently, therefore, it appears that demand for DFGs can be met from the existing approved programme for the next two financial years. However, there may be future risks if
- Paradigm Housing Group decide to cease making an annual contribution to the DFG programme or substantially reduce the contribution they make, or
 - the allocation via the Better Care Fund is reduced from the 2015/16 recommended level from April 2016, or
 - there is a sudden increase in demand.

Discretionary Renovation Grants

16. The policy for giving discretionary grants and loans was reviewed and amended in 2013 to ensure that the assistance is better targeted. The new policy is providing a sufficiently flexible approach to enable the Council to assist those most in need.
17. Activity over the last three years has been at low levels:

Discretionary Grants and Loans*	2013/14	2012/13	2011/12
Number Approved	14	10	15
Amount Approved	£45,000	£10,000	£20,000
Number Completed	10	7	23
Total Expenditure	£28,000	£14,000	£39,000

*Figures do **not** include Flexible Home Improvement Loans

Demand for assistance is predicted to increase during the coming year for the following reasons:

- the limited availability of Energy Company Obligation funding (providing grants for heating repairs and insulation to people on low incomes),
 - the growth in the private rented sector and
 - the continuing difficult economic climate
18. There is currently around £10,000 unallocated funding in the Renovation Grants and Loans budget which will not be sufficient to meet demand during the coming year.
19. Households unable to access assistance from the Council may be faced with living in unsatisfactory housing which impacts on their health, making a homeless application to the Council, or in the case of the empty property, the property remaining empty. These outcomes would be contrary to the Council's key objectives of safe and healthy communities.

20. Alternatively, the Council could use its enforcement powers and require the works to be done under an Improvement Notice, and then arrange to carry out works in default. However, this is a resource intensive activity and requires the Council officer to seek quotations, contract with a builder and supervise the building works. A revenue budget would also need to be identified to fund the works.
21. Accordingly, a transfer of £50,000 is sought from the provisional programme to the Renovation Grants and Loans programme in order to continue to deliver housing improvements to vulnerable owner-occupiers, support the return of empty properties, and to increase the supply of safe private-rented accommodation.

Background Papers: None
