South Somerset District Council

Private Sector Housing Grant Policy

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Purpose of the Report

1. For Members to consider amendments and adopt the Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance in Appendix 1 of this report.

Forward Plan

2. This report appeared on the District Executive Forward Plan with an anticipated Committee date of 4th March 2021.

Public Interest

3. With increased housing pressures the Government continues to see working with the private sector as being increasingly important in order for local authorities to meet their statutory responsibilities to deal with empty properties, disrepair, homelessness, overcrowding and other related housing matters. This is even more relevant after the impacts of Covid 19. The provision of financial assistance is considered an integral part of any strategy to improve housing conditions, maintain the current housing stock and encourage vacant premises to be brought back into use. In addition there is a need to save money in the NHS/Social services by helping disabled people to continue living in their homes and by accelerating hospital discharge.

4. There is a clear link between poor housing and ill health and the Council has had a policy of offering loans and grants to improve housing conditions for many years now. This report presents some revisions to that policy to reflect changes that will address the current needs. These grants and loans also support energy efficiency measures which will contribute to the carbon reduction targets set by the Council in its Environment Strategy.

Recommendations

5. That the District Executive

a) Agrees the amendments to the existing policy concerning the provision of financial assistance for private sector housing and associated matters, including disabled facilities grants, to be adopted as the future policy of the Council. The changes are highlighted in yellow in the Policy document Private Sector Housing Grants/Loans and other Financial Assistance.

Background

6. The last Policy for Awarding Private Sector Housing Grants/Loans and other Financial Assistance was adopted in January 2020. This is a revised version of the previously agreed policy and whilst much of it remains the same there are a number of small changes to make the use of the Better Care funding more flexible, fine tune the measures and update information. The updated policy changes are highlighted for ease of reference. The adoption of this policy does not commit nor imply that any funds will be available to be spent on the grants, loans or other financial assistance outlined but rather sets out the criteria which will be applied when providing such financial assistance if and when funds are available.

7. It is pleasing to report that the changes made to the Policy last year have generated more interest in landlords taking up grants and loans to bring empty properties back into use. The empty property grant with the amended conditions is now encouraging professional landlords/property developers to identify vacant premises with a view to providing new units of accommodation and the portion of the grant exclusively for energy efficiency/carbon reduction actively promotes improvements in this. The increase in the maximum loan has also positively enhanced the likelihood for take up of loans. The maximum loan that is now available means that landlords can generally access enough funding to complete the project whereas previously the loan amount would be unlikely to cover all works.

Report Detail – policy changes

8. There are various changes to the layout and minor wording changes to clarify meaning and allow easier reading and reference. These do not change the policy regarding what grant or amount would be awarded and so these changes are not highlighted in the attached policy document. Changes to the criteria or amount of grant or loan are all highlighted in yellow to assist identifying the revised policy proposals.

9. Section 3 outlines the Mandatory Disabled Facilities Grant (DFG) policy. The only change in this section is at 3.1.4 c. Fast track. This proposal is to allow the specialists to agree funding in urgent cases without the need for a means test. The reason for this is that the means testing process significantly slows down the application process and can cause problematic delays where there is an urgent medical need for an adaptation. These circumstances are not common but do occur and this change will allow some flexibility to address these challenging cases.

10. It has been recognised for some years that allowing additional discretionary DFG elements is highly beneficial to provide flexibility to address the adaptations needs of some individuals preventing hospital admission and drain on NHS resource. The

proposals introduce some additional discretionary measures which can be included as part of DFG work subject to funding and suitability assessment. These include dealing with cold homes known to contribute to poor health, dangerous living conditions which create trip and fall hazards and maintenance of equipment seen as crucial to safety of adaptations.

11. The first change in section 3.2 is to allow the decision for a discretionary DFG to be taken by the lead specialist and Case Services Manager without the need for referral to the exceptions and appeals panel. Previously only a set number could be agreed in this way. The limit for mandatory DFGs has not changed for many years and we are seeing an increasing need for top up elements as the cost of works has increased without the mandatory element allowing for that. The discretionary elements are all capped at £10,000 or less and any request beyond that would still be referred to the exceptions and appeals panel.

12. To reflect the increase in cost of works an increase to the Discretionary prevention DFG is also proposed in section 3.2.2 from £4,000 to £5,000

13. A new discretionary element is proposed at section 3.2.3 to allow funding up to £10,000 to be allocated without a means test in situations where applicants are of working age with dependants and are trying to remain in employment for as long as they can, but with rapidly deteriorating conditions. This situation can impact their financial eligibility for a DFG but does not take into account the needs and circumstances of the wider family unit. Funding the adaptations themselves can significantly impact on that family.

14. A further new proposal is at section 3.2.7 to assist with energy improvement works. Cold homes are known to contribute to ill health and helping maintain a warmer environment will assist the prevention of problems and hospital admissions. We are working with the other Somerset Districts to introduce a system to assess the energy performance of a home subject to a DFG using EPCs and then to offer funding for identified improvements in poorly rated homes.

15. The final addition is at section 3.28 which allows for funding to cover a number of smaller items which collectively with the DFG adaptations will provide a safer and more resilient home environment for the client.

16. Other grants are covered in section 4. In section 4.1 the amount of repair grant that can be allocated is proposed to increase from £2,000 to £3,000, to reflect the increase we have seen in the cost of works. The increase to £5,000 where a loan cannot be accessed remains the same.

17. Section 5 relates to loans and this section has been updated to reflect the name change of Wessex Resolutions CIC to Lendology. This change does not affect the loans offered. We have also clarified that all loans offered must be approved by the Council. Minor changes are proposed to clarify what loans can be offered for, extending the previous restrictions of category 1 hazards to significant hazards. Smart control systems are also added to the list of potential energy measures. The

addition of 5.1 (7) also addresses the ability to offer a loan for expanding households.

18. The loan criteria in 5.1 bullet 3 has been amended to clarify the assessment of vulnerability as financial vulnerability as assessed by Lendology.

19. Item 5.2 (8) has been amended to clarify that nomination rights will only apply if a loan is offered in conjunction with an empty property grant. Nomination rights would be overly restrictive and not appropriate in others circumstances.

20. The final change is a minor amendment to the House in Multiple Occupation (HMO) schedule of works in Appendix 3 simply to include initiatives for contributing towards air source and ground source heating systems in the grant offer. No change has been made to the maximum grant of £7,500 as a whole for each HMO property regardless of the amendment.

Consultation

21. Consultation discussions have taken place with Lendology who administer the loans. They have actively supported these changes to encourage more uptake of the loans and to bring our policy more in line with many others in the scheme.

22. The changes relating to the use of DFG funding are mainly to clarify what is already in place. Ongoing discussions have taken place with other districts in terms of DFG provision and how the Better Care funding is spent across our services for prevention works. Similar ongoing discussions take place with the occupational therapists.

Financial Implications

23. All capital spending associated with this updated policy are subject to the usual capital bidding process. No new money is being asked for at this time

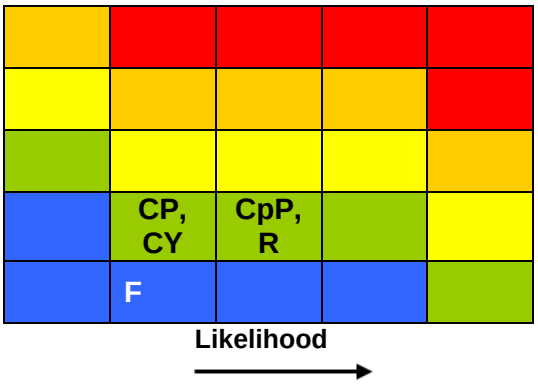
Legal implications (if any) and details of Statutory Powers

24. The grants, loans and other financial assistance are awarded under the provision of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and in accordance with the Housing Grants, Construction and Regeneration Act 1996 and other relevant legislation.

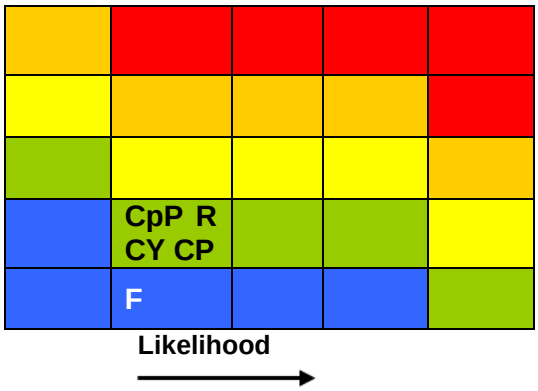
Risk Matrix

South Somerset District Council

Risk Profile before officer recommendations



Risk Profile after officer recommendations



Key

Categories	**Colours** (for further detail please refer to Risk management strategy)
R - Reputation	High impact and high probability
CpP - Corporate Plan Priorities	Major impact and major probability
CP - Community Priorities	Moderate impact and moderate probability
CY - Capacity	Minor impact and minor probability
F - Financial	Insignificant impact and insignificant probability

Council Plan Implications

25. This revised policy supports the Council Plan themes across Protecting Core Services, Environment, Places Where We Live and Healthy, Self-reliant Communities, within these areas of focus:
    - Promote a high-quality built environment in line with Local Plan policies
    - Match life long independent living with appropriate property solutions
    - Support older people to live and age well by increasing independence, reducing loneliness, and improving financial security
    - Work with partners to support people in improving their own physical and mental health and wellbeing
    - Deliver a high quality, effective and timely service to our customers and communities

Carbon Emissions and Climate Change Implications

26. The adoption of this policy aligns with the climate change agenda, supporting actions in the Environment Strategy to help reduce carbon emission with the private sector housing stock. All grant aided works will meet the latest building Regulation requirements and therefore help reduce carbon emissions. Energy efficiency work will also reduce the need for heating and hence reduce fossil fuel use contributing to the Councils carbon reduction targets for the district.

Equality and Diversity Implications

27. A stage 1 Equality Analysis (EqA) has previously been completed and as this report does not pose any significant change that would impact on any of the protected characteristics a further impact analysis is not required.

Privacy Impact Assessment

28. The policy which is the subject of this report does not in itself involve the processing or handing of personal data. The provision of specific grants and loans in accordance with this policy would involve the handling of personal data a privacy impact assessment is being carried out on the procedures and service design of this service.

Background Papers

Private Sector Housing Strategy 2015-19
Empty Homes Strategy