

Title of meeting:	Housing and Preventing Homelessness
Date of meeting:	29 th November 2021
Subject:	Private Sector Housing Financial Assistance Policy 2021
Report by:	James Hill - Director for Housing, Neighbourhood and Building Services
Author:	Clare Hardwick - Head of Private Sector Housing
Wards affected:	All
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1. To seek approval to amend the current Financial Assistance Policy for Private Sector Housing in Portsmouth to keep the policy in line with statutory obligations and in line with our customer needs, as defined by the demand received from residents.

2. Recommendations

- 2.1. That the Private Sector Housing Financial Assistance Policy 2021, as outlined in Appendix 1 of this report, is agreed and implemented from 29th November 2021.

3. Background

- 3.1. The Council has a statutory duty under the Housing Grants, Construction and Regeneration Act 1996 (as amended) to provide Disabled Facilities Grants (DFGs) to help disabled owner/occupiers, private rental sector tenants, and tenants of registered providers with property adaptations, helping them to stay in their own home safely, improve their independence and quality of life.
- 3.2. The Council has mandatory duties for housing adaptation and improvement under the following legislation:
 - 3.2.1. Housing Grants, Construction and Regeneration Act 1996 (as amended) – mandatory provision of Disabled Facilities Grants (DFGs)
 - 3.2.2. Housing Act 2004 – introduction of the Housing Health and Safety Rating system (HHSRS) and the duty to identify and remove Category 1 hazards to any residential premises in their district.

- 3.3. In 2013 the mechanism for government to provide funding for DFGs changed. Instead of a direct DFG allocation from central government, the funding became disseminated through the Better Care Fund. This is intended to integrate provision of help with home adaptations across housing, health and social care systems to achieve better health and wellbeing outcomes for residents.
- 3.4. In addition to the legislative requirements placed on the Council, the adaptation, repair, and improvement of Portsmouth's housing stock makes a significant contribution to achieving the Council's vision and strategic objectives, specifically "Making more good quality homes available for our residents" as well as contributing towards the Private Rental Sector Strategy.
- 3.5. The DFG grant limit per property was set at £30,000, and has remained unchanged for nearly 14 years, despite a significant increase in the cost of building work over this period. However, there was an expectation that Local Authorities would devise their own local policies to support their DFG programmes. In the current policy the limit is set at £30,000.
- 3.6. In addition, all Local Authorities in England and Wales were given extended powers to issue loans and other forms of assistance to DFG applicants and other vulnerable residents, under The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. It is nationally recognised best practice for Local Authorities to use these discretionary powers to complement their Mandatory Disabled Facilities Grant programme.
- 3.7. On 23 September 2014 the Council adopted the current Private Sector Housing Financial Assistance Policy (PSHFAP) to include the Mandatory DFGs as well as defining other discretionary financial assistance packages which aim to help vulnerable residents with adaptations and repairs to their property.
- 3.8. The current policy has provided financial assistance packages which fall into two main categories. The proposed policy continues with these same categories.
- 3.8.1. **Disabled Adaptations.** These financial packages are available to those who are:
- 3.8.1.1. owner/occupiers of their home,
 - 3.8.1.2. private rental sector tenants, and
 - 3.8.1.3. tenants of registered providers
- This comprises both the mandatory DFGs and also a variety of other grants which help to keep disabled people stay in their own home safely, improve their independence and quality of life. Adaptations for Local Authority Housing tenants are dealt with separately through the Local Authority Housing Department.
- 3.8.2. **Home repairs and Improvements.** These financial packages are available to help vulnerable owner/occupiers to help address disrepair which could be prejudicial to the health and wellbeing of the occupants of the property. The works required are identified through a survey of the property by the council's



Private Sector Housing team using the Housing Health and Safety Rating system (HHSRS). This survey identifies hazards, as well as the likelihood of harm and the severity of the risk to the occupant. Hazards are categorised according to their severity, with those classified as Category 1 Hazards represent the highest risk and thereof rein need of work to remove or reduce the risk.

3.9. The capital works for discretionary housing repairs and improvement is funded through the repayments from historic loans provided to homeowners and has not required replenishment to date. However, this budget is diminishing due to high demand and grants being offered to residents which are not repayable.

3.10. The Council have continued to exercise the various powers in innovative ways since they were introduced. In 2018 the Centre for Ageing Better identified the Council as an example of best practice in the use of these powers, and it is important to continue to review and utilise this discretion in the best way to help our residents.

3.11. In order to use these discretionary powers, Local Authorities must have a clear policy setting out how they intend to use them. Therefore, the proposed updated Private Sector Housing Financial Assistance Policy, as shown in Appendix 1, is being presented for approval.

4. Main changes to the proposed new Private Sector Housing Financial Assistance Policy

4.1. The Better Care Fund (BCF) Board approved a pilot scheme in 2019 to trial certain amendments to the Mandatory DFG programme using BCF funding. This included:

4.1.1. Increasing the grant maximum from £30,000 to £40,000, Whilst unusual, in the cases where the cost of works is substantially higher than the grant limit, the needs of the applicant are often particularly critical and the ability to offer an interest free loan to ensure these much-needed adaptations can be carried will be important.

4.1.1.1. Funding for DFGs is at least £1.6 million per annum, allowing a minimum of 40 grants per year. However very few DFGs reach the grant limit, and the average grant is for £6,000. The DFG spend for financial year 2020-21 was £1.1m and is forecast to be £1.4m for 2021-22.

4.1.2. Making DFGs available to Shared Lives and Special Guardianship applicants, and

4.1.3. Bypass means testing for certain types of works, including Level access showers, Stair lifts, and some other adaptations, most typically recommended by the Occupational Therapy team through their assessment of need.

This pilot scheme was successful in streamlining the DFG process and making adaptations available to more people assessed with a physical need for adaptations to their homes. The BCF Board have therefore agreed to provide the additional funding on a permanent basis. It is therefore recommended that

the new Financial Assistance Policy be updated to allow for this to be an established part of the DFG service in accordance with The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002.

- 4.2. Grants for Boiler replacements are available through the City Council's Energy Services team. However, in some cases the grant available does not cover the full cost of the boiler replacement as other ancillary fees such as asbestos surveys or scaffolding access are required which cannot be funded through the boiler replacement grant. This results in some vulnerable homeowners who meet the eligibility criteria for the scheme struggling to secure the additional money required to proceed with the work. It is therefore recommended that a new grant be introduced through the PSHFAP to provide the required top up for boiler replacements and will be managed between the Private Sector Housing and Energy Services Teams.
- 4.3. Portsmouth City Council is one of very few local authorities in the country to offer discretionary financial assistance to homeowners. Approximately 50-60 applications per year are received for this service from people living in conditions which can be prejudicial to their health who cannot access help elsewhere. Historically the discretionary elements of the PSHFAP have focused on providing grants as well as a variety of low interest loans, funded through the capital budget. In recent years however this budget has experienced high demand, and the service has been funded through the recycling of loan repayments from service users to enable more loans to be provided.
- 4.4. Discretionary financial packages have also been updated. These assistance packages are available to help vulnerable homeowners to address disrepair to their properties which could be hazardous to their health. As the current policy still includes grant packages which are not repayable, the budget is diminishing and threatens the sustainability of the service.
- 4.5. Therefore, two options for change to the new PSHFAP were considered to ensure that the service can continue:
 - 4.5.1. Change the service to make it only available after certain means testing criteria is applied to applicants. This option will preclude some people in need from accessing this service.
 - 4.5.2. Change the policy to offer interest free loans to carryout essential repairs. Applicants will need to repay their loans through affordable repayment plans. This change to the policy does not disadvantage any of service users.
- 4.6. To make the service more sustainable for the future and to maximise the number of people that will benefit from this assistance, it is recommended that a shift in the policy is made to reduce the grant packages available, and to provide more focus on affordable loans for homeowners. The loan repayments can then be used to assist further applicants, ensuring that this service can continue to be offered to those in need carryout essential repairs to their property in the city.



- 4.7. In order to still be able to help vulnerable homeowners in the city, it is recommended that the loans available are amended to interest free loans which, depending on the applicant's circumstance, will either be repayable on a monthly basis with the repayment plan tailored to the financial affordability of the applicant, or will only become repayable when the property is sold, or the ownership of the property transferred. All loans will be registered as a charge with Land Registry to ensure that the loan will be repayable if the property is sold or transferred.
- 4.8. The new policy proposes that the second option, as described in sections 4.5.2, 4.6 and 4.7 above, is adopted as part of the new PSHFAP.
- 4.9. In summary the following products have been removed from the proposed new policy.
- 4.9.1. Home Repair Grant
 - 4.9.2. Vulnerable Persons Grant
- 4.10. The following packages have been amended in the proposed new policy.
- 4.10.1. Low-cost Loans
 - 4.10.2. Disabled Facilities Assistance
- 4.11. If approved, this policy will be made available to the public by being published on the Council's website. In addition, the Private Sector Housing Service will be aware of the policy and ensure that residents who are in need of financial support will be helped according to the policy. Finally, it will be promoted internal to the Council and external to relevant organisation and contractors.

5. Reasons for Recommendations

- 5.1 It is important that the Council have a clear and consistent policy for the provision of financial assistance to those who need to adapt their home for the reasons described. The policy was last updated in 2014 and, for reasons outlined in section 4 of the report, needed to be updated.
- 5.2 The pilot of changes, supported by the Better Care Fund, have enabled the service to be adapted to be both more effective and better for the customer, and these should now be formally adopted.
- 5.3 The provision of additional support to ensure that those who need a new boiler do not find financial barriers to the work is in line with this policy and that of the Energy Services team.
- 5.4 The change from move to no interest loans for discretionary services will enable means testing to be removed and for the service to become financially sustainable by reusing loan repayments to offer more loans to new service users.

6. Integrated impact assessment

6.1 An integrated impact assessment has been completed and is attached at Appendix 2.

7. Legal implications

7.1 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 prescribed for the provision of mandatory disabled facilities grants and for discretionary financial assistance. 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.

7.2 There is no statutory requirement to conduct a consultation exercise when amending a policy under this legislation.

8. Director of Finance's comments

8.1 As mentioned in the main body of the report the decision to trial an increase the DFG grant maximum from £30,000 to £40,000 will be met from the Better Care Funding. Although it's hard to predict the demand for these grants it is not anticipated that the number of grants will exceed the amount of money available.

8.2 The decision to move to providing more interest free loans for discretionary services instead of grants will allow funds to be recycled back into the budget and will allow the Council to help more clients in the long term. Any loan issued will be secured loans against the client's property.

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Signed by: James Hill - Director of Housing, Neighbourhood and Building Services

Appendices:

Appendix 1 - Private Sector Housing Financial Assistance Policy 2021

Appendix 2 - Integrated Impact Assessment

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Report on Financial Assistance Policy for Private Sector Housing Cabinet Member for Housing - 23 September 2014	https://democracy.portsmouth.gov.uk/documents/s4727/Financial Assistance policy.pdf
Financial Assistance Policy for Private Sector Housing Approved 23 September 2014	Financial Assistance Policy for Private Sector Housing - Appendix.pdf (portsmouth.gov.uk)
Housing Grants, Construction and Regeneration Act 1996 (as amended)	Housing Grants, Construction and Regeneration Act 1996 (legislation.gov.uk)
Private Rental Sector Strategy 2021-2026	Private Rental Sector Strategy for Portsmouth 2021- 2026
Empty Private Residential Strategy 2019-2024	Empty Private Residential Property Strategy 2019-2024 (portsmouth.gov.uk)
The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002	The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (legislation.gov.uk)
Housing Act 2004	Housing Act 2004 (legislation.gov.uk)

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by: