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<b>TO</b>	Executive
<b>DATE</b>	19 <sup>th</sup> September 2019
<b>EXECUTIVE MEMBER</b>	Portfolio Holder for Neighbourhood Services, Councillor Natalie Bramhall

<b>KEY DECISION REQUIRED</b>	N
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	PRIVATE SECTOR HOUSING: FINANCIAL ASSISTANCE FOR ADAPTATIONS & REPAIRS POLICY
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<b>RECOMMENDATIONS</b>
(i) That the Private Sector Housing: Financial Assistance for Adaptations & Repairs Policy ('Housing Assistance Policy') provided as Annex 1 be approved.

<b>REASONS FOR RECOMMENDATIONS</b>
The Private Sector Housing: Financial Assistance for Adaptations & Repairs Policy ('Housing Assistance Policy') has been updated to reflect current and future circumstances, particularly increases in external funding for housing assistance. The changes proposed are in keeping with national and local policy objectives of helping to maintain independence for older and disabled residents. The proposals: <ul style="list-style-type: none"><li>• Benefit vulnerable residents and enable them to remain living at home safely and in their own communities for as long as possible.</li><li>• Make best use of increased Better Care Fund, Housing Capital Grant, provided by central government for Councils to develop local responses to meet need from residents who require practical assistance to remain living at home, primarily via the Disabled Facilities Grant ('DFG').</li><li>• Support the recommendations of the Surrey Foundations Adaptations and Equipment Review 2017.</li></ul>

## **EXECUTIVE SUMMARY**

### **Update to the Housing Assistance Policy**

The Private Sector Housing: Financial Assistance for Adaptations & Repairs Policy ('Housing Assistance Policy') has been updated and revised to reflect current and future circumstances, particularly increases in external funding for housing adaptations. Annual increases in the government allocation of capital funds for disabled adaptations have resulted in a substantial underspend of ring fenced funds. As these cannot be used for other purposes, there is now guidance on the application of discretion to allow best use of these increased funds. The guidance also points to the need to make changes to the Council's Policy on how housing assistance is provided.

### **Key Components of the Revised Policy**

The key proposals in the revised Policy are to:

1. Provide discretionary Disabled Facilities Grant (DFG) funding above the statutory maximum award of £30,000, up to a new maximum of £45,000;
2. Disregard the first £5,000 of client's means-tested contributions for DFG's; and
3. Make minor changes to the benefits used for calculating eligibility for certain grants and loans.

Additionally, the Policy also proposes a new Safe and Secure grant of up to £3,000 for simple home adaptations and repairs, to be delivered via the Council's handy person service and includes the handy person service within the scope of the Housing Assistance Policy.

### **What this means for the Council**

The benefits would be three-fold:

1. They would enable the Council to spend more of its increased government allocation for disabled adaptations;
2. It would reduce the growing underspend; and
3. It would help more people to access the adaptations they require more quickly.

The recommendations will benefit those in need of their homes being adapted, as well as families and wider communities who provide support to older and disabled residents. It will also benefit health and social care agendas and budgets, through assisting people to live independently at home for as long as possible.

### **Executive has authority to approve recommendation (i).**

## **STATUTORY POWERS**

1. The Housing Grants, Construction and Regeneration Act 1996 requires the local housing authority to administer grants to provide adaptations and facilities in the homes of disabled people. The terms under which these mandatory Disabled Facilities Grants (DFG's) may be given are set out in the legislation. This includes physical and financial eligibility criteria for applicants and criteria on what adaptations may be funded by the DFG.

2. The DFG is a means tested capital grant which can contribute towards the cost of adapting a home, for example by installing a stair lift, creating a level access shower room, widening doorways, providing ramps and hoists or creating a ground floor extension. The DFG is a mandatory grant, which means that it is a legal requirement for local authorities to provide help to people who meet the eligibility criteria. These criteria include ensuring that the works are necessary and appropriate to meet the needs of the disabled person, and that they are reasonable and practicable given the age and condition of the property.
3. The Regulatory Reform (Housing Assistance) (England And Wales) Order 2002 allows for greater discretion in the use of DFG's and requires local housing authorities to publish a scheme of assistance. The Council's Housing Assistance Policy ('The Policy') was previously updated in 2013, but it is now appropriate to update the Policy to reflect significant increases in Better Care Funds provided for housing assistance, as well as guidance on the use of the Regulatory Reform Order 2002.
4. The term 'discretion' is used to mean assistance that is outside of the mandatory DFG requirements. The Policy will allow the scope of this discretion to be clearly defined, and ensures consistent application of criteria to all clients, avoiding the potential for 'case by case' judgements to be required. Eligibility requirements for DFG's in terms of care and support needs as assessed by a registered occupational therapist will not be affected, to ensure consistent application of criteria to all clients.

## **BACKGROUND**

5. The Policy has been revised in response to increased funding, through the Better Care Fund, Housing Capital Grant. This is a combined fund provided by the Ministry of Housing, Communities & Local Government and the Department of Health, to enable Councils to assist residents to access housing improvements and adaptations, which will enable them to live independently at home, for as long as possible.
6. The changes in the Policy are also intended to implement recommendations made to Surrey Councils through Foundations (the national Home Improvement Agency charity) Adaptation and Equipment Report 2017. Each of the Surrey District and Borough Councils are working together, through the Surrey Equipment and Adaptations Project, to review, plan and implement the key recommendations made within the Foundations report.
7. The proposed Policy revisions introduce a number of discretionary elements in addition to the current mandatory DFG provision. This includes an increased upper limit on DFG's, a disregard of the first portion of certain client financial contributions, plus minor amendments to the other forms of housing assistance provided and the introduction of a new 'Safe and Secure' grant.

## **KEY INFORMATION**

### **Background to the Proposed Changes**

8. In December 2018 the Government published a Review of the Disabled Facilities Grant. The Policy amendments proposed are in line with evolving national guidance

and practice. The theme of that Review is about developing services that meet disabled people's needs in a preventative, holistic and timely way. The Policy aims to improve customer journey through the adaptations process, by removing certain financial barriers and allowing faster decision making, as well as introducing a new prevention focused grant.

9. In 2016/17 Surrey County Council and the Surrey Districts and Boroughs jointly commissioned Foundations, the national body for Home Improvement Agencies, to carry out a review of delivery of the Better Care Fund for home adaptations in light of the increased funding. Their report provided a range of recommendations, including increasing the upper limit on DFG's and introducing grants to try and prevent or reduce the need for hospital admissions and facilitate timely hospital discharge. The proposals in the revised Policy are in line with these recommendations and also with changes already introduced in other Surrey Council's.
10. The recommendations will benefit those in need of their homes being adapted, as well as families and wider communities who provide support to older and disabled residents, however it will also benefit health and social care agendas and budgets, through assisting people to live independently at home for as long as possible.
11. A lot of the work involved in delivering DFG's is undertaken by the Council's outsourced Home Improvement Agency and Handy Person Service provider, Millbrook Healthcare Limited. This contract was retendered in 2018 and the new provider has the capacity and ambition to process DFG's and related services more swiftly and in greater volumes than the previous provider. However, to make better use of opportunities available through the Better Care Fund and further improve the lives of our residents, it is also necessary to change the Policy criteria and terms.
12. The change to the upper DFG limit and the disregard of the first £5,000 of client contribution in particular, will provide significant client benefits. Applicants that require funding in excess of the mandatory £30,000 DFG maximum or who cannot afford their means tested client contribution have previously had to apply to the County Council for 'top up' funding. This process could take a substantial time to complete and added delay and stress for vulnerable applicants.
13. The proposed changes would reduce the need for top up applications, also reducing pressure on the stretched social care budgets and speeding up adaptation times. The key driver here is to improve customer journey, by helping to secure funding for necessary adaptations at an earlier stage for those needing more extensive works and to reduce the need for client contributions, which can often be found unaffordable by elderly and disabled clients and is a key reason for eligible clients to drop out of the grant process.

#### **Disabled Facilities Grant - Discretionary Elements**

14. The Policy has been revised to introduce a number of new discretionary elements i.e. outside the strict mandatory requirements of the legislation. It will retain the existing mandatory DFG requirements regarding eligibility, purpose of works and means testing. It is proposed to use the discretion afforded by the Regulatory Reform Order 2002 to offer discretionary DFG elements for private sector residential adaptations in the following specific circumstances:

#### **Discretion to Increase Disabled Facilities Grant Upper Limit**

15. The maximum grant available for a mandatory DFG is currently £30,000. The

proposed Policy increases the maximum amount by up to £15,000, where the cost of work exceeds £30,000 (either as a result of unforeseen works or due to the extent of the original work that is recommended to the Council). This type of assistance will only be offered for schemes that meet the criteria for mandatory DFG's as set out above. The maximum amount of DFG assistance will therefore be £45,000. Where the cost of the works is more than £45,000 and the applicant is unable to fund this themselves, they will be referred to Surrey County Council who may consider a "top up" contribution.

#### **Discretion to Waive the first £5,000 of some client contributions**

16. When the means test determines that a client has a financial contribution to make, where the client has not more than £24,500 in savings, the first £5,000 of this contribution shall be waived. This ensures that vulnerable clients are not deterred from important works due to the need to contribute financially. The figure of £24,500 matches the value used by Surrey County Council in the means test to qualify for alternative means of assistance, and is intended to assist consistency of approach.
17. Where a client contribution towards the cost of the work is required and is more than £5,000, and the applicant is unable to fund this themselves, they will be referred to Surrey County Council who may consider a "top up" contribution.

#### **Inclusion of Council Tax Reduction as a 'Pass-porting Benefit'**

18. When the means test is carried out to determine any client contribution, there are a number of income related benefits, which under the Housing Renewal Grants Regulations (as amended), automatically 'passport' an applicant to not having to make a financial contribution. This Policy adds Council Tax Reduction to the list of pass-porting benefits for DFG.

#### **Small Works Loans and Grants**

19. In addition to the above discretionary elements for DFG, the Policy also makes minor amendments to the eligible benefits for the Council's own assistance schemes, Small Works Loans and Grants, to update them and bring them into line with the DFG means test.

#### **Safe and Secure Grant**

20. This is a new discretionary grant which aims to offer provision of simple measures to ensure that elderly, vulnerable or disabled residents can occupy their homes safely and reduce the likelihood of developing ill-health; also to ensure that properties are suitable for people to be discharged from hospital without delay.
21. The grant has a maximum value of £3,000 per household. This will be provided via the Council's subsidised Handy Person Service (HPS). There are eligibility criteria for this grant based on age and/or disability, financial circumstances and type of works required. Eligible works will include:
  - Provision and installation of equipment, to prevent falls or accidents within the home, as well as promote independence
  - Works to prevent hospitalisation and assist hospital discharges, such as essential repairs, minor adaptations and moving of furniture to allow room for medical equipment etc.

22. This discretionary grant assistance would be funded from the main DFG budget. It is difficult to predict how many people might be eligible for or take up this grant, but numbers and expenditure will be monitored closely during the first year.

### **Handy Person Service**

23. The Handy Person Service is also brought into the Policy, this being an existing service that has operated for many years, but was not previously mentioned in the Policy itself. The Council provides a subsidised, low-cost Handy Person Service (HPS) for elderly and disabled residents, which provides a range of basic repair, improvement and adaptation tasks. The HPS is operated by the Council's external provider, Millbrook Healthcare Ltd and is a chargeable service for clients, charged at an hourly rate, plus the cost of any materials used. Including the HPS within the Policy is intended to increase visibility and uptake of this service.

### **OPTIONS**

24. The following options may be considered:

- a) Agree the recommendation to adopt the revised Housing Assistance Policy. This is the **recommended option**.
- b) Make further amendments to the proposed Housing Assistance Policy and then agree the recommendations as set out in the revised Policy.
- c) Do not agree the recommendations. This will significantly hinder the Council's ability to make the most effective use of the increased Better Care Fund grant allocation, as set out below and is therefore **not recommended**.

### **Rationale**

25. **Adopt** the revised Housing Assistance Policy - this is the recommended option at 24a. The financial risk of over-spending will be managed through diligent budget review and reverting to mandatory grant policy only, or reduced level of discretionary spend, if an overspend were forecast. Communications with our residents will be clear on what is mandatory grant policy, as well as what is discretionary policy and subject to review, in order to manage expectations.

26. **Amend** The Housing Assistance Policy, in light of Council feedback at 24b – to approve several, but not all, of the proposed Policy elements would require officers to work with Executive to ascertain which elements should be implemented immediately, and which require further action, or are to remain as current policy. To implement a number of the Policy amendments, but not the full range, would continue budget underspends, rather than responding to customer need.

27. **Make no change** to the current Policy at 24c – not to change the Policy would miss an opportunity to target resources, also to ensure older and disabled people experience a swift decision and installation of the equipment and adaptation they require. Policies would be out of step with most other local authorities in Surrey and would not contribute as significantly to local social care and health objectives. The current underspend would continue to grow, but being a ring-fenced budget, could not be used for other council activity.

## **LEGAL IMPLICATIONS**

28. The framework under which mandatory DFG's may be given is set out in the Housing Grants, Construction and Regeneration Act 1996 and this will continue to be used to provide the core eligibility criteria for clients and works.
29. The Regulatory Reform (Housing Assistance) (England And Wales) Order 2002 allows for greater discretion in the use of DFG's and requires local housing authorities to publish a scheme of assistance. The Council's Housing Assistance Policy was previously updated in 2013, but it is now appropriate to update the Policy to reflect significant increases in Better Care Funds provided for housing assistance as well as guidance on the use of the Regulatory Reform Order 2002.

## **FINANCIAL IMPLICATIONS**

30. This policy change will have a significant financial effect, but that is a large part of the reason for proposing it.

### **Disabled Facilities Grants**

31. Disabled Facilities Grants are funded by an annual government capital allocation, as part of the Better Care Fund. The Better Care Fund has increased substantially since 2015 when it was £200m, to £394m in 2016/17, and the level of funding is expected to continue until at least 2020; national funding will be £500m for DFG in 2019/20.
32. Reigate & Banstead Borough Council received a Better Care Fund grant of £1,179,124 in 2018/19 (original allocation of £1,050,911, plus an additional payment of £128,213 in January 2019), and expects to receive £1,133,996 for 2019/20. There was a significant carry forward of unspent budgets for the two previous years. Funds are expected to remain at current levels or increase further in the future. This money is ring-fenced for DFG and related capital spending projects and if unspent has to date been carried forward. It is possible that the Government could in future require underspends to be repaid.
33. Continuing to restrict the Council's DFG contribution to the mandatory minimum means that the Council will continue to underspend its DFG budget. There are however significant benefits to those eligible to receive grant assistance in terms of improved speed of customer journey if greater discretion is made available.
34. If the required adaptation works will cost more than the mandatory DFG limit of £30,000 or the client is assessed as having to make a financial contribution to the cost of the works, but is unable to afford it, these cases are normally referred back to the social care authority, Surrey County Council, who will make a decision on whether they will provide the top-up funds requested. Annex 2 includes details of the number and value of Adult Social Care top up cases over the previous 3 years. If the proposed Policy were to be applied to these cases, this would have resulted in an additional £76,000 of DFG spend.
35. This process is managed via the Occupational Therapy teams who make the initial assessment of client eligibility on medical and care need grounds. It can be a very lengthy process, which can leave clients waiting additional months for adaptations to be approved. By increasing the maximum limit for DFG's to £45,000 and disregarding the first £5,000 of client contributions from those with less than £24,500 in savings,

this will reduce pressure on the stretched social care budget and speed up the process of obtaining approval. While works costing in excess of £45,000 will still need to be referred to Surrey County Council for top up funding, the policy change will reduce the number of such cases and value of funds being sought.

36. The driver for this change is to promote a faster and smoother journey for the client, so that the financial support for the required adaptation work can be secured at an earlier stage with fewer people needing to wait additional months for County top up funds. This is the main reason for delays and discontinued applications in the DFG process, and could be improved by the Policy changes proposed.
37. Analysis of the number of DFG cases requiring top-up funding over the last three financial years has shown that there have been only one or two cases per year where the cost of the works exceeds the mandatory DFG limit of £30,000. This figure would be manageable within the DFG budget; however as this is a discretionary policy, it will only be used where resources are sufficient and there would be no impact on the Council's ability to fund mandatory works.
38. To give some context to the proposal, authority to make exemptions to the current policy to allow the requested discretion was approved by the Leader in February 2019, pending the full revision of the Policy, and has allowed a 6 month 'trial' of the effect of this policy change. In the six months from February to July'19, there have been two DFG's approved above the mandatory limit, for an extra £12,000 and £3,000 each. This is similar to the County Council Adult Social Care figures provided, where only one or two schemes per year have been approved for funding in excess of the £30,000 mandatory DFG maximum.
39. There have also been fourteen cases where the client contribution disregard has been applied, at a total cost of £53,500. The total additional discretionary spending in the first six months has therefore been £69,000. If we were to extrapolate this over a year, the impact would be expected to be in the region of £138,000. This is well within the capacity of the overall budget of £1,133,996 in 2019/20.
40. Any discretionary assistance will only be considered having regard to the available DFG budget at the time. If the DFG budget will not have sufficient resources in reserve to deal with other mandatory referrals that may present throughout the financial year, the Council reserves the right not to approve any discretionary elements. This will be subject to on-going budget monitoring, as well as on-going consideration of the impact of the Policy changes, in terms of numbers of applications, approvals and speed of delivery.

### **Small Works Loans and Small Works Grants**

41. The Policy also covers Small Works Loans and Small Works Grants. These are funded by a rolling annual capital programme budget of £50,000, as part of the Council's ongoing commitment to promoting a well-maintained private sector housing stock. Home adaptations, repairs and safety improvements are key ways of promoting and maintaining independence, preventing the need for admission to hospital and supporting timely discharge from hospital. These small, low cost works provide a simple way of helping low income home owners with the cost of essential home repairs and improvements, which may otherwise be unaffordable.

42. The Council provides a small number of these per year, with a maximum of £500 per Small Works Grant and £6,500 per Small Works Loan available to applicants. The only change to this section of the Policy is to make minor amendments to the eligible benefits for applicants, to update them and bring them into line with the DFG means test. It is not expected that these changes would increase spending beyond the existing budget. As part of the overall work with Millbrook to promote the services available, these options will be publicised so as to maintain and stimulate take up.

### **Safe & Secure Grant**

43. As the Safe and Secure Grant is a new proposal it is difficult to be certain how many clients will be eligible or take up the option of a Safe and Secure Grant. It is proposed that spending and number of jobs be monitored over the first year of the new Policy. As with the proposed discretionary elements related to DFG's, provision of the Safe and Secure Grant will only be considered having regard to the available DFG budget at the time. If the DFG budget would not have sufficient resources in reserve to deal with other mandatory referrals that may present throughout the financial year, the Council reserves the right not to approve any discretionary elements, including Safe and Secure grants.

### **Handy Person Service**

44. Including the Handy Person Service (HPS) within the Housing Assistance Policy will not have any financial implications for the Council, as it is provided as a chargeable service for clients. Core funding for Millbrook Healthcare Ltd to provide the HPS is included as part of the overall Council contract with Millbrook for provision of Home Improvement Agency and Handy Person Services.

### **Summary**

45. See Annex 2 for a breakdown of the DFG budget from 2017/18 and detail of Surrey County Council Adult Social Care top up cases over the last three years.

### **EQUALITIES IMPLICATIONS**

46. If accepted, the proposals will assist vulnerable residents to live independently and are likely to result in lower numbers of emergency hospital admissions for older and disabled people, due to falls and other accidents. Acceptances of the proposals will have no negative impacts on any group in the community, but rather the opposite.
47. Through development of this Policy, we considered potential users and are confident the service is available to all within our society, but predominately used by those who are older, vulnerable and on low incomes. The main Policy changes relate to the DFG, and have kept to the mandatory eligibility criteria, which is based on health and social care requirements as well as financial eligibility. This ensures that while 'discretion' is implemented, it is clearly defined, and ensures consistent application of criteria to all clients, avoiding the potential for 'case by case' judgements to be required.
48. This duty has been considered in the context of this report and it has been concluded that there are no equality and diversity implications arising directly from this report.

## **COMMUNICATION IMPLICATIONS**

49. It is anticipated that the Council will work with our Home Improvement Agency provider, Millbrook Healthcare Ltd, to promote the full range of services available to support adaptions and repairs. This will include publicity via both organisations websites and the use of promotional material such as leaflets and 'Borough News' magazine.

## **HUMAN RESOURCES IMPLICATIONS (if applicable)**

50. There are no immediate Human Resources implications to this Policy. It is anticipated that the reduction of time required to deal with issues associated with accessing top up funding to the mandatory grant will off-set increased workload, brought through possible additional demand for adaptations. However we will monitor the roll out of the Policy and review staffing needs.

## **RISK MANAGEMENT CONSIDERATIONS**

51. There are no risk management implications identified.

## **OTHER IMPLICATIONS**

52. There are no other implications identified.

## **CONSULTATION**

53. Each of the groups below were consulted and provided ideas and support for the policies suggested within this proposal.
54. The groups consulted were:  
Adult Occupational Therapy team, Reigate and Banstead locality – Surrey County Council  
Children with Disabilities team – Surrey County Council  
Millbrook Healthcare Ltd (Home Improvement Agency)

## **POLICY FRAMEWORK**

55. This Policy is well aligned with the themes and priorities of the Council's Draft Five Year Plan, 'Reigate and Banstead 2025'. In particular our objective to provide targeted and proactive support for our most vulnerable residents, which states that we will assist vulnerable residents to remain in their homes and avoid problems such as social isolation and fuel poverty, through early assistance and the provision of advice, grants and other financial support.

## **BACKGROUND PAPERS**

1. Corporate Plan 2015-20 - [http://www.reigate-banstead.gov.uk/council\\_and\\_democracy/about\\_the\\_council/plans\\_and\\_policies/corporate\\_plan/index.asp](http://www.reigate-banstead.gov.uk/council_and_democracy/about_the_council/plans_and_policies/corporate_plan/index.asp)

