

Cabinet

Date of Meeting: 9 March 2021

Report Title: Home Repairs and Adaptations for Vulnerable People Financial Assistance Policy

Portfolio Holder: Councillor Nick Mannion, Environment and Regeneration

Senior Officer: Frank Jordan, Executive Director Place

1. Report Summary

- 1.1. This report sets out how Cheshire East Council will exceed its statutory duty to enable vulnerable residents to live independently in suitable, well maintained homes through a revised Home Repairs and Adaptations Policy for 2021-2026.
- 1.2. The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 removed most of the prescriptive housing renewal grant legislation and introduced a wide-ranging discretionary power for local housing authorities to develop a local policy to meet local need. The Council has successfully operated such a policy since 2009, facilitating investment into improving homes and drawing in Government grants, landlord contributions and funding from charitable trusts.
- 1.3. The financial help set out in the proposed Policy will enable vulnerable people to improve and adapt their homes which will result in improved health and wellbeing, reduce the demand on health and social care and contribute to the regeneration and sustainability of our communities.

2. Recommendation

- 2.1. That Cabinet approve the Home Repairs and Adaptations for Vulnerable People Financial Assistance Policy 2021-2026.

3. Reasons for Recommendation

- 3.1. The Council cannot provide discretionary grants and loans without formally adopting a policy that sets out the eligibility criteria.

- 3.2. The Council is committed to investing in early intervention and prevention services to help residents live well and for longer. By choosing to invest in home repairs and adaptations through this Policy, the Council will empower and motivate people to manage their own care and wellbeing at home and reduce the need for paid care in accessible and safe home environments.
- 3.3. There is a strong policy drive for integrated approaches across housing, health and social care to prevent hospital admissions and expedite hospital discharge, none more so than in the current pandemic. Housing's role in supporting health is becoming more prominent, with research demonstrating the causal link between poor housing conditions and ill health.
- 3.4. The Policy delivers on many of the recommended actions within NHS England's guide to how housing can support health and social care systems, including improving suitability and accessibility, affordable warmth, enabling hospital discharge and supporting people to live independently in the community.
- 3.5. The Council makes a significant financial investment through its capital programme to enabling disabled people to achieve independent living and to improve housing conditions. The policy provides a clear framework to ensure that financial resources are directed to the people who need it most and that resources are used effectively to achieve outcomes that support the Council's three year plan.
- 3.6. Reducing vacancy rates, improving the quality of the existing housing stock and preserving the built environment all lead to an improvement in quality of place and quality of life, creating attractive, safe and well-maintained neighbourhoods. Bringing empty homes back into use has many benefits, including increasing housing availability, supporting sustainable development, increasing footfall and spending in the local area and improving perceptions of community safety.

4. Other Options Considered

- 4.1. The statutory duty placed on local housing authorities by the Housing Grants, Construction and Regeneration Act 1996 means that the Council cannot opt out of investment in Disabled Facilities Grants.
- 4.2. The Council could choose not to publish a policy for discretionary grants and loans. Without a policy, we would not be able to provide help to vulnerable people to carry out urgent adaptations and essential repairs to their home, which would result in unnecessary hospital admissions and increased care costs.

5. Background

- 5.1. The coronavirus pandemic has reinforced the importance of good quality homes for our physical and mental wellbeing. Cold, damp, poorly ventilated homes can cause or worsen the health conditions that put people at high risk from the effects of Covid-19. An overcrowded home reduces a household's ability to isolate those at particular risk or displaying symptoms. Spending

long periods indoors in poor housing conditions can exacerbate poor mental health. Good housing benefits people's mental and physical wellbeing, it enables informal carers to provide care, and it underpins older people's ability to live independently, safely and as part of the wider community.

- 5.2. The Council has adopted and published home repair and adaptation policies to meet local need since 2009. The most recent iteration of the policy was adopted in 2017 and expires on 31 March 2021. An updated policy is needed to be able to continue to provide support to improve housing conditions.
- 5.3. A review of the policy's operation has been completed and has identified several necessary amendments to reflect changes in government policy and the social landscape, in particular the impact of the coronavirus pandemic on household finances and the Council's ambition to be carbon neutral by 2025:
 - 5.3.1. The proposed eligibility criteria for the Healthy Homes Loan have been simplified to make it easier for residents to understand and to ensure that help is targeted to the people who need it most. The Healthy Homes Loan will enable people who are in receipt of income related welfare benefits, and/or are over state retirement pension age, and have insufficient savings, to be able to afford the repairs to make their homes weathertight and safe. The loan will provide up to £15,000 funding and will be secured as a legal charge at the Land Registry and repaid when the property is sold, or repaid on a monthly interest-free basis.
 - 5.3.2. The proposed eligibility criteria for the Affordable Warmth Grant have been amended to align with the myriad of existing and emerging external grants available for energy efficiency. Most funding schemes require a financial contribution from the homeowner, however by the nature of the low-income eligibility criteria most eligible householders are unable to afford this contribution, making the Affordable Warmth Grant an important tool in enabling people to access other grant funding and draw in extra funding to the local area.
 - 5.3.3. Introducing an Urgent Adaptations Grant into the proposed policy will enable us to direct time-critical support to disabled people where it is most needed. This new non-means tested grant of up to £10,000 will be used in circumstances such as hospital discharge, for people who need support with safe moving and handling, and people who are experiencing a rapid deterioration of function because of a life limiting illness, such as Motor Neurone Disease. Adaptations that will be eligible for this support are ones that can be delivered quickly such as stairlifts, specialist toilets, temporary ramps, ceiling track hoists and level access showers.
 - 5.3.4. Widening the purposes to which the Empty Homes Loan can be used in the proposed policy will encourage greater use of the loan and assist more property owners to bring their property back into use. The previous loan criterion was too restrictive; by making it available to anyone who intends to live in, let or lease the property when it is renovated will increase the number of empty homes we can bring back into use.

- 5.3.5. A Targeted Regeneration Grant has been introduced into the proposed policy. This grant will enable us to take advantage of any external funding streams and opportunities to target housing improvement support in local communities. The grant will only be made available where specific funding is secured for an area and is flexible enough to be able to respond to issues specific to the housing in that area. The grant is based on a premise of 30% match funding from people who can afford, or 100% grant funding for low income households living in the area, and will be repayable if the property is sold within five years.
- 5.4. The proposed policy continues to provide a framework of help for disabled people to adapt their homes or move to a more suitable home. Cheshire East provides help that exceeds its statutory duty by providing disabled facilities grants of up to £50,000 to meet local need, and providing help to families to adapt a second property for shared care arrangements.
- 5.5. The Policy includes equity share loans, interest free repayment loans and grants. Consideration has been given to the costs of delivering grants and loans and the borrowing costs, set out below.
- 5.6. *Equity share loans*: There is no regular repayment due on the loan, instead a charge is placed on the property equivalent to a percentage of the value of the property which is derived from the value of the loan compared to the market value of the property, which is taken from the RCIS valuation. Repayment of the loan is deferred until the property is next sold. The expectation is that the property value will increase over time thereby enabling full recovery of the loan amount plus additional funds in lieu of interest covering the lost investment opportunity of tying up capital in the loan. However, there is a risk that the property value may not increase or could fall resulting in a loss on the loan. This arrangement has the advantage of no monthly repayments so is relatively easy to administer.

It will, however, require maintenance of detailed and accessible records over a long period as repayment may not occur until many decades after the loan is provided. An agreement creating a charge on the property can only be entered into by an owner so the legal ownership will require investigation by the Council's legal department and the applicant will require independent legal advice. Equity share can also be a disincentive to the householder later carrying out further self funded improvements if the Council have a fixed percentage share of the property

- 5.7. *Interest free repayment loans*: The applicant would make monthly repayments until the loan is repaid in full or upon sale of the property, whichever is the earlier. The loan term will range from between one and ten years based on a test of affordability for the applicant. Although these are also secured upon the property in the same manner as set out in 5.6 above, (a mortgage), the administration of these loans could be dealt with in the same way as a normal debtor to the Council. There is an opportunity cost of offering interest free

loans: by tying up the capital in interest free loans, the Council loses the opportunity to invest the money and receive interest on its investment.

5.8. *Grants* are the most costly to the Council as the expenditure is only recouped in the event of a breach of grant conditions, but are easy to administer. Grants will only be awarded where loan options have been exhausted first or where specific external funding is secured.

5.9. We have discounted using interest-bearing loans as these would take the form of a mortgage. Mortgages in general are difficult to administer and arrangements and resources would need to be made available to administer repayments, which will become more onerous if repayments are not maintained.

6. Implications of the Recommendation

6.1. Legal Implications

6.1.1. The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002 contains wide-ranging powers to provide assistance for housing renewal, including for the purpose of adapting or improving or repairing living accommodation. The Order also states that before the powers contained within it can be used, the Council must publish a policy on how it intends to use them.

6.1.2. The Council is under a statutory duty to provide grant aid to disabled people for a range of adaptations to their homes (Housing Grants, Construction and Regeneration Act 1996).

6.1.3. A local housing authority does not have a duty to assist a grant applicant in meeting any share of the costs which the applicant is financially assessed to be responsible for. The housing authority may however consider using its discretionary powers of assistance provided for by the Regulatory Reform Order.

6.1.4. Under the Financial Services and Markets Act 2000 (Exemption) (Amendment) (No2) Order 2003, local authorities offering mortgages have been exempted from the financial regulatory regime on the basis that a comparable quality of service is provided to customers in accordance with the mortgage sales guidance for local authorities and registered social landlords. The Council has put in place documents and procedures which meet its responsibilities as a lender.

6.1.5. Transactions must comply with the rules that came into force on 1st January 2021 under the World Trade Organisation agreement on subsidies and Countervailing Measures (with the previous legislation being the EU State Aid rules) and various financial regulations which the Council must comply with in order for it not to be acting ultra vires

6.1.6. By putting in place a policy which meets its statutory duties and sets out the extra discretionary investment that it will make for vulnerable residents, the Council is meeting its legislative responsibilities and its overarching local priorities.

6.2. Finance Implications

6.2.1. Delivery against the policy is funded by rolling capital programmes in the Council's budget: Disabled Facilities Grant and Home Repairs for Vulnerable People. Unspent funds from previous years are carried forward to subsequent years where the funds are committed but works are incomplete at the end of the financial year.

6.2.2. The total approved funding for the discretionary Home Repairs for Vulnerable People programme for 2021-22 including carry-forwards is £300,000. An additional £200,000 per annum is included in the capital programme until 2025 which will be subject to further approval as part of the budget setting process.

6.2.3. In 2021-22, the approved Disabled Facilities Grant programme is £2,400,000 which will be partially funded by a Government grant, the amount of which is yet to be finalised. However it should be noted that the future allocation of Government capital grant is not guaranteed. The statutory duty placed on local authorities to award Disabled Facilities Grants determines that should the Government not allocate capital grant to the Council in the future, funding will need to be provided from the Council's own resources or through prudential borrowing. The grant determination for the capital allocation contains a grant condition that any money paid must only be used for the specific purpose of providing adaptations for disabled people who qualify under the scheme.

6.3. Policy Implications

6.3.1. The Policy contributes to the overall vision of the 2021 -2025 Corporate Plan to be an open, fairer, greener Cheshire East. It also supports the Council's priority to empower and care about people, and to make Cheshire East a thriving and sustainable place. We are committed to supporting the most vulnerable residents, whilst enabling others to support themselves and lead a prosperous and healthy life, and reduce carbon emissions.

6.3.2. People need health, social care, housing and other public services to work seamlessly together to deliver better quality care. The policy expands on the whole system approach through the focus on enabling care to be provided at home and facilitating hospital discharge. Disabled Facilities Grant is a part of the Better Care Fund and, together with discretionary grants and loans for vulnerable people within the policy, is very much-in keeping with the whole system approach of more joined up services that help improve the health and care of local populations and make more efficient use of available resources.

6.4. Equality Implications

6.4.1. The Policy will enable the Strategic Housing service to deliver efficient and effective services to groups with protected characteristics who are vulnerable, in particular but not limited to older people and people with a disability.

6.4.2. An Equality Impact Assessment is being completed for the proposed policy, and will consider how the objectives of the policy will affect those who fall within the definition of protected characteristics.

6.5. Human Resources Implications

6.5.1. The Policy will be administered by Strategic Housing officers within existing resources.

6.5.2. There is also a requirement for the Legal Property Team to draw up the required legal documentation, liaise with the applicant's legal representation and register the legal charge on behalf of the Council.

6.6. Risk Management Implications

6.6.1. The Council must publish a housing renewal policy to be able to administer grants and loans.

6.7. Rural Communities Implications

6.7.1. The proposed amendments to the eligibility criteria for the Affordable Warmth Grant will widen the help available for residents in both urban and rural communities, however the greatest benefit will be felt by rural off-gas communities where heating system costs and energy bills tend to be higher.

6.7.2. The provision of adaptations to keep people living independently in their own home supports the sustainability of rural communities.

6.8. Implications for Children & Young People/Cared for Children

6.8.1. The Policy will provide opportunities for disabled children and young people to live in suitable housing, and protect the health of children and young people in low income vulnerable families through improved living conditions.

6.9. Public Health Implications

6.9.1. The Policy will enable the Strategic Housing service to provide services which directly impact on public health. Housing improvements will benefit vulnerable residents' mental and physical wellbeing and reduce demand on health and social care services.

6.9.2. Cold and damp homes increase the risk and effects of cardiovascular, respiratory and rheumatoid diseases, as well as hypothermia and mental ill health. Young children, older people and people with an illness or disability are more likely to suffer the effects of cold and damp housing.

6.9.3. The exact relationship between poor housing and ill health is complex. 45% of accidents occur in the home, and accidents are among the top ten causes of death for all ages. Local data suggests that around 3,500 to 4,000 older people attend Accident and Emergency (A&E) departments each year as a result of a fall.

6.10. Climate Change Implications

6.10.1. Energy efficiency and carbon reduction are a consideration throughout the proposed Policy, with help targeted to assist households to reduce energy use and utilise low carbon heating systems. Building sustainability is a consideration in the specification of housing repairs, ensuring that every opportunity to reduce building operating costs are evaluated in order to tackle fuel poverty for residents and tackle climate change.

7. Ward Members Affected

7.1. All wards.

8. Access to Information

8.1. The full proposed Home Repairs and Adaptations for Vulnerable People Financial Assistance Policy 2021-2026 accompanies this report.

9. Contact Information

9.1. Any questions relating to this report should be directed to the following officer:

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