

TONBRIDGE & MALLING BOROUGH COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE

28 January 2014

Report of the Review Group

Part 1- Public

Matters for Recommendation to Cabinet

1 REVIEW OF DISABLED FACILITIES GRANT CONTRIBUTION AND HOUSING ASSISTANCE FUNDING

To consider and endorse the recommendations arising from the Review Group established to assess the Disabled Facilities Grant Contribution and Housing Assistance Funding.

1.1 The Review

- 1.1.1 The aim of this review was to evaluate expenditure and value for money surrounding the allocation of Disabled Facilities Grants and Housing Assistance funding, to establish the opportunity for service improvements and potential savings in light of the Council's overall budgetary position.
- 1.1.2 The review group met on 27 November 2013 and again on 21 January 2014. At the first meeting, the review group tackled the two issues separately. It was agreed that given the demographics of the borough with an ageing population, demand for adaptations was likely to increase and a reduced budget could lead to the needs of a growing number of residents not being met. On this basis, the review group decided there should be no change to the current Disabled Facilities Grant allocations, but this should be kept under review pending the changes in 2015 and the introduction of the Better Care Fund.
- 1.1.3 With regard to Housing Assistance Funding, the review group were asked to consider whether the Council should review the level of funding for Housing Assistance in the context of the overall budgetary situation and the medium term financial strategy. The group considered the following three options:
- Make no change to capital plan allocations for housing assistance to ensure decent homes are provided
 - Explore a mechanism to reduce the annual allocation for housing assistance but maintaining an appropriate level of service taking into account the likely grant monies which are repaid and invested.

- Discontinue the service from 2014/15, generating overall savings of £694,000, an average annual saving of c£183,000

1.1.4 On considering the above options, the review group concluded that a reduction of the annual allocation for housing assistance should be explored. To ensure that an appropriate level of service was maintained, a proportion of future income from repaid grant monies should also be allocated. Additional information was requested on likely grant monies that could be expected to be repaid each year as well as the intended projects that the fund would be assisting.

1.2 Housing Assistance – Future Objectives

1.2.1 The Review Group noted that the Council has supported improvements in the private sector for many years. However, there continued to be homes in a poor state of repair and people living in homes which are of poor quality. Through the Housing Assistance Policy the aim is to focus resources to encourage home owners to improve their homes while providing financial support for the most vulnerable and most in need.

1.2.2 Recent developments such as welfare reform changes; local authorities being able to discharge homeless duty into the private rented sector; increased fuel prices; and the developing links between public health and housing has raised the importance of housing assistance. As such Housing Assistance plays an important role in meeting some of the Council's key strategic priorities:

- Health and Well Being
- Children and Young People
- Community Safety
- Housing

1.2.3 The Group noted that the quality of the home has a significant impact on health; a warm, dry and secure home is associated with better health. Housing-related hazards that increase the risk of illness include damp, mould, excess cold and structural defects that increase the risk of an accident (such as poor lighting, or lack of stair handrails).

1.2.4 In addition to basic housing requirements, other factors that help to improve well-being include the neighbourhood, security of tenure and modifications for those with disabilities. The Building Research Establishment (BRE) has calculated that nationally poor housing costs the NHS at least £600 million per year.

1.2.5 The Review Group also noted the links to the Council's "Mind the Gap" health inequalities report, which will help focus on addressing the root causes of ill health in areas where the Borough Council, has a remit, either directly or with our partners, for providing services and support to residents, based around the wider determinants of health. Examples of these areas of service that have a health dimension are:

- Housing – homelessness, affordable housing, housing options, housing standards and conditions in the private sector;
- Advice and support – welfare reform, benefits, targeted interventions, e.g. fuel poverty, troubled families programme.

1.2.6 Whilst it is recognised that the primary responsibility for repairing and maintaining a property rests with the owner, it was noted that the Council has certain statutory responsibilities to fulfil and must take steps to protect and assist vulnerable members of the community whilst providing advice to all residents to help them maintain their own homes.

1.2.7 Through the Housing Assistance policy the Council will help improve the health, safety and wellbeing of residents in private sector housing within the borough that are affected by poor housing standards or disadvantaged through social deprivation, disability and vulnerability. To achieve these aims, three areas of assistance have been identified: Home Improvements, Warm Homes, and Home Safety Checks.

1.3 Home Improvements

1.3.1 The Review Group noted that the condition of a person's home can have a negative impact on their health. Deficiencies in the home can lead to health problems, which in turn can influence community stability, crime, environmental issues and increase costs for health providers. Improved health brings wider social and economic benefits for everyone.

1.3.2 If a category 1 hazard is identified in a private sector property the Council has a duty to take action under the Housing Act 2004. The most common hazards found are excess cold and falls. The indirect health impacts of cold housing are widely documented. Dexterity can be negatively affected resulting in an increased risk of injury through falls. The average cost to the state of a fractured hip is £28,665. In many cases the cause of a fractured hip is a fall in the home. The recent BRE Housing Stock Modelling exercise commissioned by the Council indicated 8% of properties contain serious fall hazards. Once an older person has had a fall it can impact on their self confidence and can result in social isolation, an increased fear of falling again, depression and reduced quality of life.

1.3.3 The ability to access Housing Assistance funding to reduce the hazard of a fall in the home through improved lighting or an additional handrail helps to prevent the high cost to the state and helps the resident live a safer, independent life in their own home. The Localism Act enables the Council to discharge its duty to house homeless households by an offer of accommodation in the private rented sector. With the high level of demand for social housing the private rented sector plays an ever more important role in meeting housing need. Clearly we need to ensure that the properties we are discharging our duty into, as well as ones where we are helping priority need clients to access via the Council's rent deposit bond scheme,

are a good standard. The private sector housing team plays a key role in ensuring these properties are safe and warm. The Housing Options team have a limited number of agents/landlords who will work with the Council in taking clients who are in receipt of Local Housing Allowance and this partnership needs to be encouraged and protected. The ability to access funding (which is repayable by the landlord on sale of property) to assist a landlord to improve his property can help to ensure that potential lettings do not fall through and ensure families are moved out of bed & breakfast accommodation as quickly as possible.

- 1.3.4 Furthermore homes that are currently empty are an important resource to help meet housing need at a time when the demand for social housing far exceeds the supply. Advice, assistance and incentives will be offered to owners of properties to help bring properties back into use. Conditions of assistance will require that homes brought back into use are used to both prevent homelessness and discharge the Council's homeless duties
- 1.3.5 The Council has a responsibility to improve the standard and quality of private sector housing so that it meets the current statutory minimum standards for housing in accordance with Housing Act 2004. This assistance will help the Council achieve these aims.

1.4 Warm Homes

- 1.4.1 The review Group gave consideration to the effects of living in a cold home, particularly in relation to how it can affect an occupant's mental health. For example, the anticipation of a high fuel bill can increase stress not only for the bill payer, but for all members of a household who "go without" in order to maintain energy payments. The reality for many households can be "heat or eat". The level of a home's energy efficiency can affect a person's life chances, children's motivation and educational attainment. Having to choose to spend the family budget on heating or food has an effect on nutrition and maintaining a healthy diet.
- 1.4.2 The Group were made aware that fuel poverty continues to be an issue for residents within Tonbridge & Malling. The recent BRE Housing Stock Modelling exercise commissioned by the Council indicated 10% of households are fuel poor. The ability to ensure that homes are adequately heated and insulated through provision of efficient heating systems and appropriate insulation remain an important part of the Housing Assistance policy particularly in the case of vulnerable households. Wherever possible residents are and will continue to be referred to other funding schemes where they exist for heating and insulation. However we have recent experience that schemes under the Government's new flagship scheme for energy efficiency – the Energy Company Obligation – are not fully funding measures, even for vulnerable residents dependent on benefits. The ability of the Council to be able to pay the contributions on behalf of the residents ensures the installation of an efficient heating system is achieved.

1.5 Home Safety Assistance

- 1.5.1 The Review Group also considered the importance of home safety assistance and how it helps to protect the occupier's health, safety and security. Health inequalities arise from differences in the social and economic conditions in which people are born and live. Poor housing conditions, overcrowding and affordability will have an adverse affect on public health and well being and exacerbate health inequalities. Making modifications to improve home safety, can lead to enhanced health that not only benefits the individual but also brings wider and social and economic benefits.
- 1.5.2 A key driver for this assistance is to reduce the rate of emergency hospital admissions caused by unintentional and deliberate injuries to children and young people and older people. Vulnerable families and older people will be provided with a home safety risk assessment, advice and support and the installation of equipment including child safety gates, fireguards, window restrictors, bathmats, cupboard locks, and will also involve checking smoke alarms, electrical safety, carbon monoxide detectors & fire escape advice.
- 1.5.3 This assistance through the provision of safety measures will also enable victims of domestic abuse to remain in their own home where it is safe for them to do so and where it is their choice and prevent homelessness. Security equipment will be installed such as door chains, viewers, window locks and personal safety alarms

1.6 Proposed Funding Model

- 1.6.1 The Review Group discussed a financial model (attached at Annex 1) which showed a revised Housing Assistance budget allocation. The model includes money coming back to the Council via repaid grants. For some of the grants previously offered, the money needs to be repaid via a charge on the property if it is sold within a period of 10 years. The amount of repaid grant coming back to the Council varies from year to year but when this occurs, the repaid grant is then available for reinvestment into the Housing Assistance budget.
- 1.6.2 The revised suggested annual fund to achieve the objectives set out above was £90,000. This is a reduced figure from the original base annual capital plan allocation of £106,000 and includes £30,000 in assumed grant repayments. On this basis the annual net cost to the Council will be **£60,000**, achieving a saving of **£46,000** per year compared with the existing base allocation.
- 1.6.3 It was agreed that a reserve fund will be created of £150,000 to accommodate any shortfall from repaid grants. Any underspend will be transferred to the Housing Assistance Reserve and this will be capped at £200,000 and any net underspends that take the reserve balance above £200,000 will be retained in general reserves.

1.7 Legal Implications

1.7.1 None

1.8 Financial and Value for Money Considerations

1.8.1 Dealt with as part of the review process.

1.9 Risk Assessment

1.9.1 Dealt with as part of the review process

1.10 Equality Impact Assessment

1.10.1 See 'Screening for equality impacts' table at end of report

1.11 Recommendations

1.11.1 The Review Group on Disabled Facilities Grant Contribution and Housing Assistance Funding agreed the following recommendations:

- (a) The existing level of capital plan funding for DFG's should be retained for the time being but reviewed again when changes to the funding regime take place in 2015;
- (b) The capital plan budget for discretionary housing assistance is set at £90,000 and part funded by way of grant repayments as detailed in 1.6 above.

Background papers:

contact: Gill Fox

Nil

Julie Beilby
Chief Executive

Screening for equality impacts:		
Question	Answer	Explanation of impacts
a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community?	No	The existing level of funding for DFG's will be retained. The budget for discretionary housing assistance has been set to reflect the level of funding required to ensure priorities within the Housing Assistance Policy are adequately provided for.

Screening for equality impacts:		
Question	Answer	Explanation of impacts
b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality?	Yes	See above
c. What steps are you taking to mitigate, reduce, avoid or minimise the impacts identified above?		N/A

In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above.

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ANNEX 1: Housing Assistance

		2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Budget Provision							
Gross Expenditure Budget		90	90	90	90	90	90
Less Grant Repayment Budget		(30)	(30)	(30)	(30)	(30)	(30)
	Net a	60	60	60	60	60	60
Actual Income and Expenditure							
Actual Gross Expenditure		90	90	95	90	80	90
Less Actual Grant Repayment		(20)	(40)	(35)	(25)	(30)	(30)
	Net b	70	50	60	65	50	60
Housing Assistance Reserve							
Opening Balance		150	140	150	150	145	155
Transfer to (from) Reserve	a-b	(10)	10	0	(5)	10	0
Closing Balance		140	150	150	145	155	155

£90,000 gross budget is the approved level of expenditure in any one year and £30,000 the assumed grant repayments each year to give a net cost of £60,000.

Where the actual net cost at year end is less than £60,000 (i.e net underspend) the difference between the actual net cost and £60,000 will be transferred to the Housing Assistance Reserve. Where the actual net cost is greater than £60,000 (i.e net overspend) the difference between the actual net cost and £60,000 will be met from the reserve.

It is suggested that the Housing Assistance Reserve balance is capped at £200,000. Any net underspends that take the reserve balance above £200,000 will be retained in general reserves.

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