



Report of the Cabinet Member for Climate Change & Service Transformation

Council – 27 January 2022

Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance 2022-2027

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| Purpose: | To outline proposed amendments to the current Private Sector Housing Renewal and Adaptations: Policy to Provide Assistance 2017-22 for inclusion in a new policy for 2022-27. To seek Council approval of the new policy. |
| Policy Framework: | 1. Local Housing Strategy. 2. Private Sector Housing Renewal and Adaptations: Policy to Provide Assistance 2017-2022 approved by Council on 22 June 2017. |
| Consultation: | Access to Services, Finance, Legal. |
| Recommendation(s): | It is recommended that: 1) Council approves the proposed Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance 2022-2027, including the proposed removal of the means test for small and medium Disabled Facilities Grants in accordance with Welsh Government guidance. |
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1. Introduction

- 1.1 The current Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance 2017-2022 details how the City and County of Swansea delivers assistance to help private owners and tenants to repair, maintain or adapt their homes.

1.2 The Policy was approved by Council on 22nd June 2017. This report outlines proposed changes to this policy and seeks approval for the adoption of a renewed Private Sector Housing Renewal and Disabled Adaptations Policy for 2022-27.

2. Policy Principles

2.1 The current policy for 2017 to 2022 sets out the detail of various types of assistance aimed at helping home owners and tenants to carry out essential adaptations and repairs. Assistance is provided on the basis of helping residents, who are often on low incomes and/or vulnerable, to carry out adaptations and essential repairs to maintain independence at home. The policy also describes the Council's approach to bringing empty homes back into use and offering loans for home repairs. In summary, the types of assistance provided include :

- Disabled Facilities Grant (DFG) – Mandatory means tested grant to provide medium and large scale adaptations for private home owners and tenants of private rented accommodation. For example, level access shower room extensions.
- Discretionary Disabled Facilities Grants – top up DFG funding where the maximum DFG funding of £36,000 has been met, to fund unforeseen additional works during the works stage of the scheme and grant agency fees.
- Adapted Home Relocation Grant – funding to assist a disabled applicant with the costs associated with moving home where it is not practicable to adapt the existing home.
- Council House Adaptations – small and large scale adaptations for Council tenants
- Homefix Loans – Recyclable loans for elderly or disabled low income homeowners needing urgent repairs. For example, roof repairs and damp proofing.
- Grants for Nominations – For works to bring long term empty properties back into use. Grant is provided in exchange for nomination rights.
- Western Bay Care & Repair handyperson schemes – Small, rapid adaptations and repairs provided for elderly and disabled residents.
- Welsh Government Landlord Loan Scheme – interest free loans to bring empty properties back into use and to carry out repairs to private rented homes. Loans to be repaid and recycled as further loans.
- Welsh Government Owner Occupier loans and Owner Repayable Financial Assistance – interest free loans for the repair of properties to

make them safe, warm and/or secure, subject to an affordability test, with Owner Occupier Loans repaid through monthly instalments, and Repayable Financial Assistance provided as a lifetime loan to be repaid on future sale of the property where applicants are on low income. Loans repaid are recycled as further loans.

- Renewal Areas – Renewal Area funding to deliver an agreed programme of property repair and environmental improvement works in designated Renewal Areas – cessation of Sandfields Renewal Area took place in March 2019.

3. Changes to existing policy and points to note.

- 3.1 A review of the current policy has been carried out to ensure that the Council can continue to fulfil its obligations and responsibilities to households who require assistance. The changes outlined in this report have been influenced by Welsh Government requirements, available capital budgets, current demand for the types of assistance offered, current external factors such as the recent shortages in building supplies and labour increasing building costs, and the need to set a Policy that continues to support Council objectives.
- 3.2 This policy will also see a significant change to DFGs following the Welsh Government Minister for Housing and Local Government announcing measures in March 2021 to remove the means test from small and medium DFGs this year. This will make it simpler and faster for the majority of disabled people in Wales who apply for adaptations through the DFG process to receive the most common types of adaptations including stairlifts, ramps, downstairs toilet and washing facilities. These adaptations will assist disabled people in maintaining their independence, safety and dignity, whilst reducing the pressures on Health and Social Care services.
- 3.2.1 This change is being introduced following the Wales Audit Office report on Housing Adaptations in Wales in 2018 recommending Welsh Government review whether local authorities should continue to use the means test for DFGs. The report found the current system for delivering adaptations in Wales is complex, reinforces inequalities for some disabled applicants in how adaptations are paid for and made available. For example owner occupiers and private rented tenants requiring adaptations apply for a DFG that is means tested to assess if they have to pay a contribution towards the cost of the works, whilst Council and Housing Association tenants are not required to pay a contribution towards their adaptations.
- 3.2.2 Welsh Government have estimated the cost to local authorities of removing the means test for small / medium adaptation DFGs across Wales is £238,000 per year, whilst each local authority would save £6-10,000 in annual administration costs. They have confirmed they expect local authorities to introduce the removal of the means test using

discretionary housing assistance powers under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO).

- 3.2.3 In preparation of the decision to remove the means test on small and medium DFGs, Welsh Government commissioned a study by the Wales Centre for Public Policy in March 2021 on the potential impact of removing the means test on local authorities delivering DFGs in Wales. They have confirmed the means test has acted as a deterrent to some disabled persons applying for a DFG. The study advises that local authorities in England and Wales who have removed the means test for DFGs have witnessed an increase in grant applications of around 20%-40%. The current level of capital funding for DFGs is sufficient to deal with current demand levels and not an increased demand.
- 3.2.4 Welsh Government advise they will monitor the impact of the removal of the means test over a 3 year period to assess changes in the level of DFG demand. Welsh Government have increased Enable adaptations funding to local authorities from £303,600 to £379,500 this year to account for the potential loss of resident contributions from the removal of the means test for small / medium DFGs.
- 3.2.5 The Minister confirms Welsh Government expect local authorities to comply with the proposed removal of the means test for the benefit of disabled people who live in their areas and to introduce this measure some time this year. Welsh Government have confirmed they will look at legal options available to them to enforce this if local authorities do not comply, including the option of introducing legislation.
- 3.2.6 Some local authorities In Wales have confirmed they intend to continue offering disabled applicants a mandatory means tested DFG for small / medium adaptations where applicants are willing to share their financial details, but for those who do not wish to share these details they intend creating a discretionary non means tested DFG, but with more stringent grant conditions including lower grant funding limits and longer repayment conditions. Welsh Government have advised they do not favour this approach.
- 3.2.7 Grant applicants who have previously had to contribute towards the DFG when applying for medium adaptations, received this mandatory grant assistance within the terms and conditions of the Private Sector Housing Renewal and Disabled Adaptations Policy to Provide Assistance applied at that time. Therefore these applicants are not entitled to a refund of their contribution following the proposal to remove the means test for future grant applicants applying for medium DFGs.

The main changes to the policy are summarised below.

- 3.3 **Discretionary Fast Track Adaptations Grant** is to be introduced to fully comply with the Welsh Government announcement of the removal of the means test for medium DFGs. This will result in no financial contribution

being required from the disabled applicant towards the cost of the works. This grant will be available to home owners and tenants of private rented accommodation for medium sized adaptations as defined in the Welsh Government Housing Adaptation Service Standards April 2019, for example the removal of a bath and installation of level access shower facilities.

Small adaptations have for a number of years been delivered through Discretionary Minor Adaptations Grant (MAG) assistance without a means test.

Grant conditions will apply to the Discretionary Fast Track Adaptation Grant. These will be in line with grant conditions for mandatory DFGs, including a £36,000 grant limit and repayment conditions for 10 years following completion of works, with the initial £5,000 grant funding being exempt from repayment.

3.4 **Disabled Facilities Grant (DFG)** – mandatory means tested adaptations grant for private home owners and tenants of private rented accommodation. This grant will in future be restricted to disabled people receiving large adaptations as defined in the Welsh Government Housing Adaptation Service Standards April 2019, for example major home structural modifications including extensions for a downstairs bedroom or shower room.

3.5 **Discretionary Disabled Facilities Loan** – due to the continuing escalation in building costs as a result of building material and labour shortages following the impact of the Covid pandemic, a significant proportion of large adaptation DFGs at design stage are now exceeding the maximum DFG allowance of £36,000. As a result officers are having to request applicants fund the additional cost above this maximum figure to enable the scheme to proceed. Often the disabled applicant does not have the funds to pay for the additional costs of the scheme and therefore the scheme is not able to go ahead, leaving them with the option of moving home or not having the adaptations they need.

To address this , it is proposed that a Discretionary Disabled Facilities Loan is introduced to assist owner occupied disabled applicants in funding these additional costs. This will be a lifetime loan, with a £10,000 limit, repayable on future sale or transfer of the home, enabling these funds to be recycled for future disabled applicants in need of assistance.

3.6 **Discretionary Disabled Facilities Grant** – this grant will continue to be offered to fund unforeseen additional works encountered during the building works of large adaptation DFGs and to fund grant agency fees. The grant is repayable for 10 years following completion of the works.

3.7 **Adapted Home Relocation Grant** – this grant will continue to be offered to disabled applicants where their home is found not to be suitable for adaptations, funding costs associated with moving to a more suitable

home, for example conveyancing fees and removal haulage costs. The grant will now also fund minor adaptations and minor repairs to the new home to make it suitable for the disabled applicant.

- 3.8 **Homefix Loan** – as a result of the escalation of building costs previously described in the report, a significant proportion of Homefix loan schemes are now exceeding the £25,000 loan maximum limit. This loan is provided to the elderly and disabled on low incomes to fund urgent repairs needed to their homes to help them remain living independently. Where costs exceed this limit, officers have to contact the applicant to request they contribute towards the cost of the works, with many unable to afford to do so. Therefore it is proposed the Homefix loan maximum amount is increased from £25,000 to £30,000.

In exceptional cases of severe disrepair to a home, where it would not be appropriate to leave the property partly renovated, the loan maximum currently is increased to £30,000. It is proposed that this figure is increased to £35,000 to account for the increase in building costs.

The Homefix loan available is subject to a calculation of the equity using property valuation bands. It is proposed these band values are increased to take account of the increase in property values locally in recent years.

- Property valued under £60,000 receiving 50% loan of the free equity, value to increase to £80,000.
- Property valued between £60,000 and £100,000 receiving 40% loan of the free equity, value to increase to between £80,000 and £120,000.
- Property valued over £100,000 receiving 30% loan of the free equity, value to increase to over £120,000.

- 3.9 **Comfort, Safety and Security Grant** – this grant provides minor rapid handyperson repairs for elderly and disabled occupants on low income with a current grant limit of £1,000 over a 5 year period. It is proposed this is changed to £1,000 over a 3 year period to account for the increase in building costs.

- 3.10 **Grants for Nominations** – this grant is no longer to be provided due to a lack of demand following the introduction of Welsh Government Landlord Loans to bring empty properties back into use.

- 3.11 **Renewal Area Assistance** – this form of assistance is no longer provided following the cessation of the Sandfields Renewal Area in March 2019.

4. **Integrated Assessment Implications**

- 4.1 The Council is subject to the Equality Act (Public Sector Equality Duty and the socio-economic duty), the Well-being of Future Generations (Wales) Act 2015 and the Welsh Language (Wales) Measure, and must in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Acts.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.
- Deliver better outcomes for those people who experience socio-economic disadvantage
- Consider opportunities for people to use the Welsh language
- Treat the Welsh language no less favourably than English.
- Ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs.

4.1.1 The Well-being of Future Generations (Wales) Act 2015 mandates that public bodies in Wales must carry out sustainable development. Sustainable development means the process of improving the economic, social, environmental and cultural well-being of Wales by taking action, in accordance with the sustainable development principle, aimed at achieving the 'well-being goals'.

4.1.2 Our Integrated Impact Assessment (IIA) process ensures we have paid due regard to the above. It also takes into account other key issues and priorities, such as poverty and social exclusion, community cohesion, carers, the United Nations Convention on the Rights of the Child (UNCRC) and Welsh language.

4.2 An IIA Screening Form has been completed with an outcome that a full IIA report was required.

4.2.1 The outcome of the IIA report assessment are that the policy and the forms of assistance to be provided have a positive impact on a number of protected characteristics groups including those with a disability, the elderly, carers and future generations by providing much needed adaptations and repairs to the elderly and disabled to enable them to remain living independently, and wherever possible include assistance that is repayable to enable funding to be recycled for future applicants in need.

4.2.2 The removal of the means test for medium DFGs assists those applicants that would have previously been expected to pay a contribution towards their adaptations but may not have the income to fund this and therefore excluding them from receiving adaptations or deterring them from applying in the first place.

4.2.3 By removing the means test, there is a risk of an increase in demand for DFGs that exceeds the capital budget that could create a backlog and waiting list. Close monitoring of the impact on demand will be needed by Welsh Government and Council officers and mitigation measures introduced if required.

- 4.2.4 The IIA report action plan proposals include close monitoring of future DFG demand following the removal of the means test, data monitoring of performance, customer satisfaction consultation, close liaison with Welsh Government and other Local Authorities to gauge the impact of changes and continued engagement with local partners who assist the service in delivering adaptations and repairs including Western Bay Care and Repair.
- 4.3 The IIA report takes into account the United Nation Convention on the Rights of the Child (UNCRC), which the Council has embedded into the Authority's Policy Framework. The UNCRC is relevant in the policy to provide assistance in the provision of DFGs for children that are not means tested and the recycling of assistance for future generations.
- 4.4 The IIA report also evidences that the initiative complies with Welsh Language Standards: specifically, that we have considered how to maximise any benefits and minimise any adverse effects on:
- opportunities for people to use the Welsh language
 - treating the Welsh language no less favourably than English.

5. Financial Implications

- 5.1 All forms of assistance other than Council house adaptations are funded through the Council's General Fund programme for disabled facilities and improvement grants. Council house adaptations are funded from the Housing Revenue Account (HRA).
1. For 2021/22 the programme budget is £5.2m.
 2. The Council house adaptations budget for 2021/22 is £2.75m.

No additional funding is required to facilitate the proposed changes to Policy described in section 3 of the report. All will be managed within existing budgets.

6. Legal Implications

- 6.1 The Council is under a statutory duty to provide Disabled Facilities Grants, in accordance with the provisions of the Housing Grants Construction and Regeneration Act 1996 ("the HGCR").
- 6.2 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 ("the RRO") empowers local housing authorities to provide assistance to improve living conditions in their area, and requires them to adopt and publish a policy in accordance with which the power is to be exercised. The new Discretionary Fast Track Adaptations Grant with no means test for medium adaptations and Discretionary Disabled Facilities Loan are to be provided via the powers detailed in the RRO.

- 6.3 Under the RRO discretionary assistance may be provided in any form, and may be unconditional or subject to conditions, including conditions as to the repayment of the assistance or of its value (in whole or in part), or the making of a contribution towards the assisted work, and may require security, including a charge on the property. However, before such a condition is imposed, or steps are taken to enforce it, the authority must have regard to the ability of the person concerned to make such contribution or repay the assistance.
- 6.4 The new Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance will be adopted from 1st April 2022 and will apply to new grant / loan applications from that date forward.
- 6.5 Any proposed changes in future to grant / loan conditions and / or the introduction of new forms of assistance will continue to be subject to a report to Council for approval.

Background Papers: None

Appendices

Appendix A - Private Sector Housing Renewal and Disabled Adaptations: Policy to Provide Assistance 2022-2027

Appendix B - Integrated Impact Assessment Report