

**Report to** Cabinet  
18 January 2017  
**Report of** Director of regeneration and development  
**Subject** Update to the private sector financial assistance policy

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**Item**

11

### **Purpose**

To seek approval for an additional financial assistance package to be included in the council's existing private sector financial assistance policy for home repair, improvement and adaptation.

### **Recommendation**

To amend the existing private sector financial assistance policy to add the ability to offer a 'top-up' to a facilities grant as detailed in the report.

### **Corporate and service priorities**

The report helps to meet the corporate priority to provide a healthy city with good housing

### **Financial implications**

To be funded entirely by capital grant. (*Better care fund*).

**Ward/s:** All Wards

**Cabinet member:** Councillor Bremner – Environment and sustainable development

### **Contact officers**

Paul Swanborough	Strategic housing manager	01603 212388
Emma Smith	Housing strategy officer	01603 212937

### **Background Documents**

None

# Report

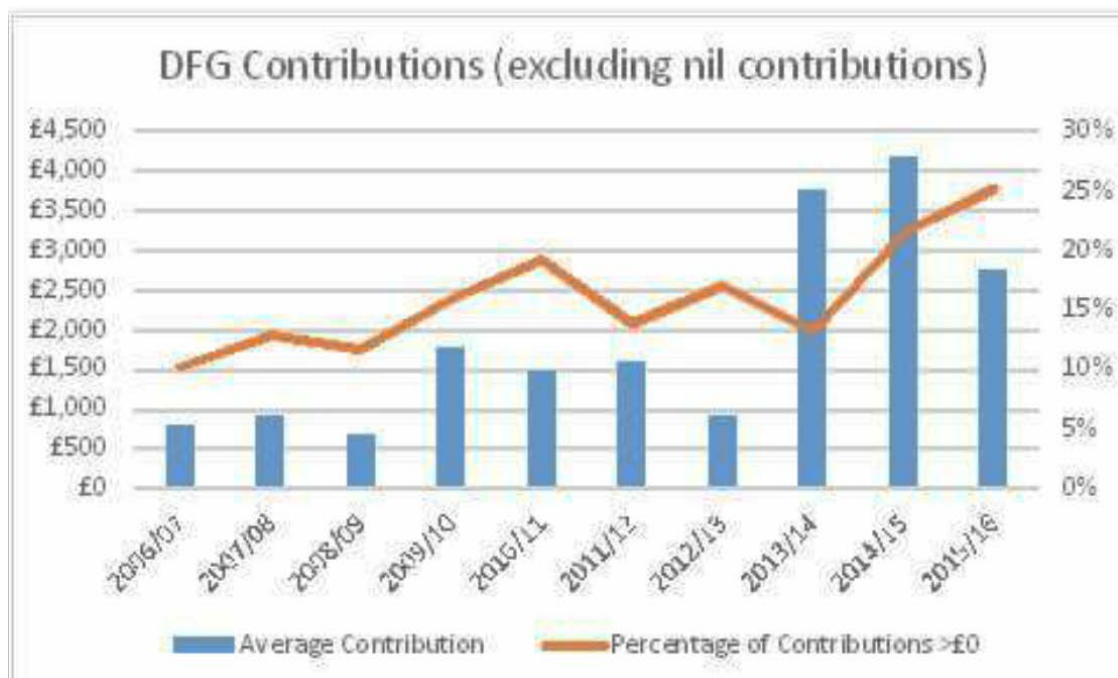
## Background

1. The council has a statutory duty to provide disabled facilities grants. These are currently funded through the better care fund which is administered by Norfolk County Council.
2. Disabled Facilities Grants are available to all residents of Norwich including those living in council homes. However, the terms of the self-financing agreement which apply to the operation of the housing revenue account prevent the use of the Better Care Fund to pay for disabled adaptations in council homes. Adaptations in council homes are funded directly by the housing revenue account and tenants are not required to undergo a means test or make a contribution to the cost.
3. This report, therefore, only applies to disabled adaptations carried out in the private sector which includes owner-occupied homes, privately rented accommodation and homes owned by housing associations.
4. The better care fund was increased this year and is predicted to increase again for the next two years and to be maintained to the end of the current parliament. This is due to national policy which recognises that the provision of disabled facilities significantly delays the requirement for residential care and therefore reduces overall care expenditure as well as being preferable for the health and well-being of the clients.
5. National research (Linking Disabled Facilities Grants to Social Care Data, Foundations 2015) has shown that people, who have an adaptation in their home and later move into care, do so some four years later than those who have not had adaptations carried out. With a residential care plan costing around £27,000 per year compared to the average disabled facilities grant costing less than £6,000, adaptations can have a major impact for social care budgets.
6. It is likely, at current level of demand, that Norwich's better care fund allocation will be underspent. Norwich City Council is therefore being encouraged to increase take-up of disabled facilities grants to ensure that people who need adaptations do so.

## Client Contributions to the Cost of Disabled Facilities Grants

7. Applicants for disabled facilities grants are required to undertake a statutory means-test which determines what their contribution towards the works should be. This calculates a nominal loan value that the applicant could afford to support. The reality, however, is that many clients with small contributions have insufficient savings or the spare income to support a loan and this is reflected in a drop-out rate from applicants in that category which has grown to around 25% (or approximately 40 cases a year).
8. The current mandatory means test is complex and tends to penalise those with housing costs that are higher than the standard amount specified or where the standard allowances for overall living costs are too low. It therefore works against the government's intentions to increase preventative spending on disabled adaptations.

9. This means that a significant number of disabled residents in Norwich are not receiving appropriate and necessary adaptations which will enable them to live safely and independently in their homes despite government funding being made available for this purpose.
10. The graph below shows the average client contribution levels, excluding nil contributions, over the last 10 years for Norwich clients. The trend line shows the percentage of cases where the client has been required to make a contribution. The block graph shows that contributions have increased in size in recent years although household incomes have generally decreased in the same time period.



## Proposal

11. In order to ensure that applicants do not withdraw and that full use is made of the better care fund it is proposed to offer a 'top-up' grant of up to £5,000 toward the contribution required by the means-test.
12. The council can offer this grant using its powers under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 to provide financial assistance to adapt and improve living accommodation.

## Cost and Risk

13. Based on an estimated 40 extra cases per year, at an average capital expenditure of £5,478 per case we would expect to increase annual expenditure on disabled facilities grants by approximately £220,000.
14. Total capital expenditure on disabled facilities grant for 2016-17 is currently predicted to be £600,000. This compares with a better care fund allocation of £882,000. It is therefore considered that there is currently sufficient funding available within the allocation to support this policy.

15. The council can limit the risk of overspending the better care fund allocation by making the offer of the top-up grant dependent on available funds. If demand increases to a point where there is insufficient available capital to offer a top-up then the client would be offered a choice of proceeding with a disabled facilities grant only (including any contribution) or waiting for funding to become available. The council would not, therefore, be in breach of its statutory duty to approve a disabled facility grant to an eligible applicant.
16. It is proposed that the offer of top-up grant would be suspended at the point at which the predicted year-end expenditure reached 90% of the available capital budget.
17. Applications for disabled facility grants cannot be placed on a waiting list due to the requirement to determine them within a six month period. However, there is the ability under the governing legislation to delay payment for up to six months to enable budgets to be managed across financial years. That mechanism, combined with the proposed suspension point will enable the capital funding to be managed in a way that prevents the need for the council to make a capital contribution to this programme.

## Integrated impact assessment



**NORWICH**

The IIA should assess **the impact of the recommendation** being made by the report

Detailed guidance to help with completing the assessment can be found [here](#). Delete this row after completion

### Report author to complete

<b>Committee:</b>	Cabinet
<b>Committee date:</b>	18 January 2017
<b>Head of service:</b>	Andy Watt
<b>Report subject:</b>	Update to the Private sector financial assistance policy
<b>Date assessed:</b>	15 December 2016
<b>Description:</b>	Integrated impact assessment for an update to the Private sector financial assistance policy seeking the approval of a 'top-up' grant for disabled facilities grants.

	Impact			
Economic (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Finance (value for money)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Funding has already been approved for this programme
Other departments and services e.g. office facilities, customer contact	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	We already offer financial assistance. There will only be minor changes to existing call scripts and processes.
ICT services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Minor changes to Civica processes will be required
Economic development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Financial inclusion	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Financial assistance may be extended to people with low income but who do not qualify for benefits
Social (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Safeguarding children and adults	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<u>S17 crime and disorder act 1998</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Human Rights Act 1998	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Health and well being	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It will help to increase the numbers of people who are able to continue to live healthy, independent, lives in their own homes.

	Impact			
Equality and diversity (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Relations between groups (cohesion)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Eliminating discrimination & harassment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Advancing equality of opportunity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Environmental (please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Transportation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Natural and built environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Waste minimisation & resource use	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Pollution	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Sustainable procurement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Energy and climate change	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
(Please add an 'x' as appropriate)	Neutral	Positive	Negative	Comments
Risk management	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Recommendations from impact assessment**

**Positive**

**Negative**

**Neutral**

**Issues**