Purpose of Report:

To seek Cabinet Approval for the Private Sector Housing Assistance Policy detailed in the report and set out in appendix A.

The Policy sets out the types of assistance available to private occupants to improve their living conditions and enable independent living.

The Policy replaces the previous Assistance Policy approved by Cabinet on 14 November 2007.
Recommendations:

1. That the Private Sector Housing Services Policy, approved by Cabinet 14th November 2007, subject to recommendations 2, 3 and 4, be revoked, with effect from 1st February 2020.

2. That the Private Sector Housing Assistance Policy detailed in this report and set out in appendix A to this report be approved and come into operation from 1st February 2020.

3. That the Assistance Policy, approved by Cabinet 14th November 2007, which forms part of the Private Sector Housing Services Policy, as amended from time to time, be revoked, with effect from 1st February 2020.

4. That the Intervention and Enforcement Policy, approved by Cabinet 14th November 2007, which forms part of the Private Sector Housing Services Policy, as amended from time to time, is not revoked and remains in operation.

5. That the Director of Housing Services in consultation with the Cabinet Member of Neighbourhoods and Community Safety be authorised to revise the Intervention and Enforcement Policy.

6. That the Director of Housing Services in consultation with the Cabinet Member of Neighbourhoods and Community Safety be authorised to revise the Private Sector Housing Assistance Policy.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

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submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.

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<td>Suzanne Allen</td>
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| **Date:** | (Insert date) |
1. **PROPOSAL**

1.1 The proposed Private Sector Housing Assistance Policy (the Policy) sets out the types of assistance available to private occupants to improve their living conditions and enable independent living. Private occupants are owner occupiers that have either bought their home outright, with a mortgage or own a share in their property (shared ownership), and those that rent from a private landlord.

In addition the Discretionary Disabled Facilities Grant (DFG) Top Up Grant is available to tenants of Private Registered Providers of Social Housing as these tenants are eligible for DFG adaptations under the 1996 Housing Grants, Construction and Regeneration Act (the 1996 Act). Also the Disabled Person’s Equipment and Assistive Technology Assistance is available to all disabled people in the city regardless of housing tenure.

1.2 For the Council to utilise its powers under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO) to provide assistance to enable home improvements within the private housing sector it is required to have an approved policy. The Assistance Policy approved in 2007 and the proposed Policy, if approved, meet this requirement.

1.3 It is recommended that the Private Sector Housing Services Policy (PSHSP) approved by Cabinet on 14 November 2007, be revoked. The PSHSP includes the Assistance Policy and the Intervention and Enforcement Policy. The PSHSP aimed to consolidate a number of previous Council initiatives to provide a comprehensive policy framework for private sector housing. One of the main purposes of the PSHSP was to meet the government’s Public Sector Agreement 7 (PSA 7) target. This target required local authorities to raise the proportion of private sector homes that meet the Decent Homes Standard and are occupied by vulnerable people to 70%. The target no longer applies.

1.4 Furthermore, in 2013 the Council approved a new Housing Strategy 2013-23. It is therefore appropriate that the Council review its supporting policies and as part of this review, a new proposed strategy has been developed setting out what we and our partners will do to encourage good standards within private sector homes in Sheffield. This proposed strategy ‘Improving the Private Sector Housing Support and Conditions Strategy 2020-25’ will provide the future framework for the proposed Policy and the Intervention and Enforcement Policy and is intended to replace PSHSP. The proposed strategy is the subject of a separate report to the 19 February 2020 Cabinet Meeting. It is therefore proposed that the PSHSP be revoked.

1.5 It is also recommended that the Assistance Policy, which forms part of the PSHSP be revoked, and be replaced by the proposed Policy detailed in this report and set out in appendix A. The Assistance Policy is out of date and does not reflect the current policy or funding environment.
Some of the assistance available in the Assistance Policy no longer exists, such as those funded through Housing Market Renewal, and the provision of loans and grants under the policy has greatly reduced with only 28 provided from 2010/11 to 2018/19. It also does not include any discretionary use of DFG funding as outlined in paragraph 1.11.

1.6 The Policy shall be kept under review so that it remains relevant and properly reflects local need and current legislation. To enable, following a review, amendments to be made to the Policy it is recommended that the Director of Housing Services in consultation with the Cabinet Member of Neighbourhoods and Community Safety be authorised to revise the policy.

1.7 It is not proposed that the Intervention and Enforcement Policy which forms part of the PSHSP be revoked. The Intervention and Enforcement Policy ensures good management and housing standards are maintained and where necessary improved in the private housing sector. To ensure that the Intervention and Enforcement Policy remains relevant and properly reflects local need and current legislation, it has been kept under review, undergoing a major review and revision in 2018. If therefore the proposed revocation of the PSHSP is approved, the Intervention and Enforcement Policy remains in operation. Further, to enable, following a review, amendments to be made to the Intervention and Enforcement Policy to ensure it remains effective, it is recommended that the Director of Housing Services in consultation with the Cabinet Member of Neighbourhoods and Community Safety be authorised to revise the policy.

1.8 The Policy is based on the Council’s statutory powers and supports the Council’s strategic priorities and objectives as set out in the Sheffield’s Housing Strategy and the proposed Improving the Private Sector Housing Support and Conditions Strategy 2020-25.

It reflects the evidence from the Private Sector Condition Survey 2015, Sheffield and Rotherham Strategic Housing Market Assessment 2018 and the consultation for the Improving Private Sector Housing Support and Conditions Strategy 2020-25 and the Policy.

1.9 Although most homes in Sheffield are well managed and maintained there are some private sector homes with serious hazards that pose a threat to the health and safety of the occupants, or are not suitable to meet the needs of the households. For instance 15% of private sector homes have a category 1 hazard and demand for property adaptations is expected to increase by 10% year on year\(^1\).

1.10 The Policy aims to provide assistance to those that are most vulnerable to poor housing conditions or unsuitable properties such as low income households, disabled people or those with a limiting long term illness (LLTI). The focus is on improving the condition, safety and energy

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\(^1\) Draft Improving the Condition and Quality of Private Sector Housing in Sheffield Strategy 2020-25
efficiency of private sector housing, and supporting people to live healthy independent lives in their home through the allocation of DFG funding.

1.11 In 2008 the restriction on DFG funding, limiting its use for funding DFGs only, was removed to give local authorities more flexibility to use the grant for other purposes and the budget was moved into the Better Care Fund in 2015. This was to enable the DFG fund to be used for broader strategic capital programmes across housing, health and care services as long as they are adopted in an approved policy under the RRO regulations. Currently the Council mainly uses the DFG funding for mandatory grants that are available to disabled people when works to adapt their home are assessed as being ‘necessary and appropriate’ to meet their needs, and when it is ‘reasonable and practicable’ to carry them out having regard to the age and condition of the dwelling, as set out in the 1996 Act.

The proposed Policy takes advantage of the increased flexibility in the use of the DFG fund to address issues on a wider preventative basis which cannot be covered under the mandatory scheme or to speed up the delivery of certain adaptations.

1.12 Please note that the mandatory nature of the DFG remains unchanged by the Policy and the Council maintains the duty to provide DFGs where an applicant has eligibility under the 1996 Act.

1.13 To ensure that the assistance available is prioritised to those most in need some of assistance is subject to the applicant being a low income household. For the purpose of the Policy a low income household is defined as:

Having a gross income of no more than:

- £19,200 for single person
- £21,600 for a couple with no dependent children
- £25,200 for a single person or couple with dependent children

In addition have savings of no more than £6,000

And/or may be in receipt of at least one of the principal means-tested and/or Disability Related Benefits.

We have used the benefit cap, minimum wage and lower quartile income for the base levels of these incomes, but have applied a 20% uplift to enable working households to access the assistance and allow for households to service loan repayments where required. For example the base for a single person is £16,000 (minimum wage), but when uplifted it raises to £19,200.

1.14 The proposed Policy provides for the following range of assistance.

a) **Home Repayment Loan (HRL)** – This is an affordable interest free
monthly repayment loan of £300 to £3,000 for low income owner occupiers unable to access commercial loans to undertake energy efficiency works or to carry out essential repairs, improvements and/or adaptations to their property. This loan will help owners undertake repairs and improvements in their properties, improve the energy efficiency of properties, which will help to reduce emissions and fuel poverty, and enable households to undertake small adaptations to help them live independently.

The HRL has a short loan redemption timescale of a minimum of 6 months to a maximum of 5 years. This will allow the funding from redeemed loans to be recycled into new loans which can be used to sustain a future programme of investment to improve housing conditions and assist more low income households in the future.

b) Improvement Home Appreciation Loan – This is a home equity loan of £1,000 to £30,000 for low income owner occupiers to undertake essential repairs, improvements to the property and energy efficiency works, which may be costly in nature. This loan will improve the energy efficiency of properties, which will help reduce emissions and fuel poverty. The loan will provide affordable lending to low income owner occupiers that cannot access commercial loans, cannot afford the HRL repayments or need to borrow over £3,000.

c) Discretionary DFG Top up Grant - A grant of up to £20,000 to top up a DFG where the assessed cost of the relevant work necessary and appropriate to meet the needs of the disabled occupant exceeds the mandatory limit of £30,000 and there is no alternative funding available. This type of assistance will only be offered for works that meet the eligibility criteria for a DFG.

The DFG limit has not changed since 2008, but the national review of DFG’s undertaken by the University of West of England in 2018 suggested setting regional limits, with Yorkshire and Humber’s set at £40,250. In 2018/19 there was 2 DFG’s exceeding £30,000 and in 2019/20 three grants have been approved for over £30,000. Although this number is low, high value grants are usually complex and involve people with severe impairments or limited mobility, particularly wheelchair users. Children with learning disabilities, autism spectrum disorder or social/behavioural problems also often need additional space separate from siblings. The work may include major reorganisation of the existing living space and/or the building of a bedroom/bathroom extension.

d) Disabled Person’s Home Appreciation Loan - An equity loan for low income owner occupiers that qualify for a DFG to:

- undertake works not covered by the DFG, for example to allow for a more satisfactory internal living arrangement to better meet the household’s needs; or to
• help pay towards the contribution towards the mandatory DFG works

The minimum loan amount is £1,000 and the maximum is £30,000 and it is only available to those that are unable to access a commercial loan or other forms of financial assistance.

This assistance will enable households to have adaptations that better meet their needs and enhance their lives, therefore decreasing the need for further grants and enable them to live independently for longer. The assistance may also result in fewer applicants terminating their application because they cannot afford the means tested contribution towards the DFG.

e) **Relocation Loan** – An equity loan of up to £70,000 to help owner occupiers move to another property if their current property is subject to Council led regeneration schemes or to enable a disabled owner occupant that is eligible for a DFG to move because it is not reasonable or practical to adapt their current property to meet their disablement needs. The relocation loan is to help bridge the gap between the value of the current home and the cost of the new home (purchased property). The maximum loan will not normally exceed 50% of the value of the purchased property. The loan is repaid on transfer of ownership as a percentage of the market value of the purchased property.

f) **Foster Carer Home Adaptation and Extension Loan** – An interest free loan of £5,000 to £60,000 for Foster Carers to carry out work to their property to extend or adapt it to allow for additional children or hard to place children to be placed at the property.

The main objective of the loan is to place more children with existing Council approved foster carers within the city, and one of the barriers of doing this is the size of the foster carers’ existing property. An adaptation or extension to the property allows carers to accommodate siblings’ together or disabled children. The loan is for experienced Council registered foster carers who will be obliged to be available to foster additional children for the agreed 5 year period of the loan. If the Council is satisfied that during that period the loan conditions have not been breached, the loan will not be recovered and the legal charge on the property will be discharged.

g) **Foster Carer Relocation Loan** – An interest free loan of up to £60,000 to allow a Foster Carer to buy a larger property to accommodate additional children or hard to place children if their property cannot be extended or adapted. The loan will not be recovered if the Foster Carer continues to accommodate children throughout the 5 year loan period.

h) **Accelerated Adaptations Grants** – A non-means tested fast tracked grant of up to £10,000 for the provision of adaptations where:
• The applicant is terminally ill
• The adaptation will reduce or delay the need for care
• The adaptation will prevent the applicant from going into care upon discharge from hospital

The applicant must be disabled or terminally ill and be a private occupier. The grant will ensure that those households most in need of adaptations, requiring them with the minimum delay, are prioritised and do not have to go through the DFG process. The provision of this grant will reduce the cost of care in the home or the need to move into a residential care home. Day care at home typically costs £6,257, while nursing home continuous care costs £25,081 per year. Any additional works required beyond these adaptations will be subject to the DFG process.

i) **Disabled Person's Equipment and Assistive Technology Assistance** – The loan of equipment and assistive technology to a disabled person to improve their living conditions and enable them to remain living in their home. This could include:

• High value specialist equipment costing more than £1,500 or
• Personal alarms and security systems (telecare) for people to call for help if they fall or have a problem at home

This will ensure continued provision of equipment and assistive technology to help people maintain their independence and make the best use of limited resources. It may also help to avoid further intensive support later on.

j) **Minor Works Grant** – A grant of up to £5,000 to carry out minor repairs or improvements to address health and safety risks in the property to enable the applicant to live independently or prevent them from being admitted to hospital. The grant is for low income owner occupied households containing a disabled person or a person with a limiting long term illness (LLTI). The works will help to reduce the number of households living in unsafe or unsatisfactory housing or reduce the need for medical or hospital treatment thereby reducing the pressure on health care services.

2. HOW DOES THIS DECISION CONTRIBUTE?

2.1 The Policy will contribute to the following ambitions within the Corporate Plan.

**Strong economy**: The Policy will support investment in private sector housing by assisting low income occupants to invest in their homes. The Policy will help minimise the city’s carbon footprint and support the priorities in the Green City Strategy by assisting private occupants to undertake energy efficiency works to their home.
Thriving neighbourhoods and communities: The Policy will help to deliver this ambition by improving the condition of private properties and ensuring good quality housing within this sector. It will provide assistance and support to those living in the private sector to maintain and improve their homes.

Better health and wellbeing: Providing assistance to improve the condition and energy efficiency of homes will help to address the effects of excess cold such as asthma, the flu and bronchitis, while the provision of more home adaptations, equipment and assistive technology will reduce the need for care packages and speed up hospital discharge.

The proposed Policy will help people across the city to live independently in their own home and reduce the need for health care services by targeting financial assistance, including loans, to low income households, disabled people and those with LLTI. Improving standards within the private housing sector can therefore make a significant contribution towards better health and wellbeing.

Tackling inequalities: Providing assistance, including financial, to low income households, disabled people and those with a LLTI will address inequalities by supporting those that cannot improve the condition or suitability of their home. It will also help to address fuel poverty by making homes more energy efficient and reducing the cost of heating bills.

3. HAS THERE BEEN ANY CONSULTATION?

3.1 The Council is not required to undertake consultation. However to ensure the Policy meets local housing need it was decided that it was appropriate to consult with private sector residents and stakeholders in Sheffield.

A survey was available on Sheffield Consultation Hub during the summer 2019 for home owners and private rented tenants. The purpose of the survey was to gather views on the vulnerable groups the Policy should assist, and gather information on private sector residents’ living circumstances, the condition of their home and any help or assistance they may require in their home. The Council had regard to the consultation responses when developing the Policy.

A total of 217 households responded, 125 home owners and 92 private renters, the main findings were:

- Respondents wanted more housing advice and information on the Council’s website and for this to be promoted through social media.
- Respondents thought it would be helpful if the Council provided the following advice and support:
The comments in respect energy efficiency assistance and interest free repayment loans are reflected in the proposed Policy. For example a purpose of the HRL and Improvement Home Appreciation Loan is to enable applicants to undertake energy efficiency works. In addition the HRL is an interest free repayment loan. The draft Policy was published for consultation in autumn 2019. The purpose of this second round of consultation was to gather comments on the draft Policy. The consultation along with the draft Policy was made available online to view for 4 weeks and was promoted through Facebook, LinkedIn and landlord forums. However only 3 responses, were received. The responses generally approved of the proposed assistance under the draft Policy to make properties more energy efficient and provide adaptations.

The consultation comments are also reflected in the proposed Improving the Private Sector Housing Support and Conditions Strategy 2020-25 under priority 1 and 2. These are:

Priority 1: Provide the right housing advice and support to home owners, private rented tenants and landlords

Priority 2: Improve the condition, safety and energy efficiency of private sector housing

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

4.1.1 In carrying out any of its functions, the Council needs to be mindful of the Public Sector Equality Duty contained in Section 149 of the Equality Act 2010. Amongst other things this duty requires the Council to have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. The relevant protected characteristics are age, disability, gender reassignment, pregnancy and maternity, race; religion or belief, sex and sexual orientation. The proposed Policy is largely equality neutral, benefiting all applicants meeting the eligibility criteria equally regardless of their protected characteristics. However some forms of assistance, for example the Discretionary DFG Top up Grant, have been developed to assist persons with a disability and will therefore particularly benefit persons with that protective characteristic.

The Policy should have a positive impact in the city by providing a greater level of assistance to households that require help to improve their home or to live independently.
An Equality Impact Assessment (EIA) has been completed. The EIA may be viewed at Sharepoint with reference number 654. A hard copy can be provided on request.

4.2 Financial and Commercial Implications

At present the Policy will be delivered through the existing resources and funding outlined below. It is not expected that the Policy will increase the overall level of staff resource needed, and it is planned the implementation and administration of the Policy is managed within the existing staff resources.

Additional funding may be accessed from other agencies and partners, according to the development of future joined up initiatives. Any new funding or resource requirements will be subject to further decision making in accordance with the Leader’s Scheme of Delegation and Financial Regulations as appropriate. The financial and commercial implications will be considered fully at that time.

4.2.1 Home Repayment Loan and Improvement Home Appreciation Loan

A total of £129,501 is currently available for these loans. £25,000 from the Regional Loans Scheme (which is a regional scheme for the provision of loans across the Yorkshire and Humber region administered by the Council’s Regional and Homes Loans service). This funding is ring fenced for regional loans and as such there will be no additional cost implications for Sheffield in utilising these funds. This funding may be withdrawn if spending has not commenced by April 2021 and could be redistributed across the other authorities in Yorkshire and Humber.

£104,501 that has been approved through the Capital Gateway Programme for the use of Home Repayment Loans and Home Appreciation Loans. This sum is from previous loans funded by the Council that have now been redeemed. These loans will be administered by the Regional Homes and Loans Service and it is anticipated that the number of loans provided in the first year will be relatively low.

4.2.2 Foster Care Loans

The Children and Families Provider Service holds the budget for these loans and the Regional Homes and Loans Service will provide the administration. The number of loans delivered is likely to be small; since their introduction in 2013 only five have been delivered. These loans are currently funded via prudential borrowing on an ‘invest to save’ basis. The repayment costs are offset by the savings generated from the reduction in ‘out of area’ placements.

4.2.3 Relocation Loans

The relocation loans for regeneration will be funded and delivered through the budgets allocated to the regeneration projects if homes are lost due to demolition or significant remodelling. Separate business
cases for this funding will be developed and approved through the Leader’s Scheme of Delegation and the capital approval process.

4.2.4 Disabled Facilities Grant Fund

In recent years the Government has allowed greater flexibility in the use of DFG funding while also increasing the allocations to councils. Sheffield’s allocations over the past two years have been £4.2m and £4.5m and indications are that funding will continue at this level. The priority use of this grant will continue to be for the delivery of the mandatory Disabled Facilities Grants delivered under the Housing Grants, Construction and Regeneration Act 1996, which will be in the region of £2.8m if rates remain stable.

The remaining funding will therefore be used to finance the following discretionary proposals within the Assistance Policy to provide adaptations and equipment to disabled people living in Sheffield in a timely and efficient way, or assist them in moving home. These are:

- DFG Top up Grant
- Disabled Person’s Home Appreciation Loan
- Disabled Person’s Relocation Loan
- Accelerated Adaptations Grant
- Disabled Person’s Equipment and Assistive Technology Assistance
- Minor Works Grant

If there is an increase in the assistance required for mandatory DFG, the amount of available funds to provide the discretionary elements of assistance in the Policy may be reduced and delivery reduced accordingly.

The DFG fund is capital funding and so may only be used for the purposes of a capital receipt in accordance with regulations made under section 11 of the Local Government Act 2003. The grant can be used to an extent for overheads related to disbursement of DFG e.g. staffing. The Council’s Finance Team are content that these proposals are compliant with this Act. Should the proposal in this report be approved, final sign off of a capital business case for any changes in scope will go through the capital approval process.

The DFG fund is required to be spent in accordance with a Better Care Fund spending plan jointly agreed between the local authority and the relevant Clinical Commissioning Group. Relevant leads from the Executive Management Group (EMG) have been briefed and are supportive of the proposal. Full Strategic EMG approval will be sought at the next EMG meeting, subject to the proposals in this report being approved. No awards of assistance under the Policy (other than those already agreed), funded from the DFG fund will be awarded, pending Full Strategic EMG approval.
4.3 Legal Implications

4.3.1 Under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO) the Council may, for the purpose of improving living conditions in their area, provide assistance to any person, to enable them to adapt or improve their living accommodation.

The power enables local authorities to give assistance to persons directly, or to provide assistance through a third party. Assistance can be given to pay for any fees and charges associated with the assisted works. Assistance given under the general power may be unconditional or subject to conditions, including securing a charge on property. The Council is therefore empowered to provide the assistance set out in the proposed Policy.

In order to use the powers provided in the RRO the Council must adopt a policy for the provision of the assistance. The proposed Policy as detailed in Appendix A complies with this requirement.

4.4 Other Implications

4.4.1 No other implications

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Do nothing - The main alternative is to not develop a new policy and rely on the 2007 Assistance Policy and other Council programmes to improve the condition, and suitability of private sector housing. However the current policy does not reflect the situation within Sheffield’s private sector housing market or the flexibility allowed within the DFG funding.

6. REASONS FOR RECOMMENDATIONS

6.1 Revoking the PSHSP, to be replaced by the proposed Improving the Private Sector Housing Support and Conditions Strategy 2020-25 shall enable the improvement of standards within private sector homes in Sheffield. The revocation of the Assistance Policy, and the implementation of the proposed Policy outlined in this report will ensure that the assistance reflects the current policy and funding landscape. It will support the most vulnerable private occupants to make the necessary improvements to their properties so that they can live independently in suitable, safe and energy efficient accommodation. It will also support people to move to more suitable housing and enable foster carers to accommodate more children within the city.

6.2 The Policy will be kept under review to ensure that it remains relevant, reflects local need and current legislation. To enable revision to the Policy arising from the review it is recommended that the Director of Housing Services in consultation with the Cabinet Member of
Neighbourhoods and Community is authorised to revise the proposed Policy. A similar delegation of authority is recommended in respect of Intervention and Enforcement Policy to ensure it remains relevant and properly reflects local need.
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