

HOMES POLICY DEVELOPMENT GROUP

12 March 2019

DEVON WIDE HOUSING ASSISTANCE POLICY 2019-22 AND ECO FLEX 3

Cabinet Member: Cllr Ray Stanley
Responsible Officer: Simon Newcombe, Group Manager for Public Health and Regulatory Services

Reason for Report: To present a revised Housing Assistance Policy under Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 following the one year review of the existing policy that was agreed and adopted in February 2018 (Housing Assistance Policy 2018-19).

RECOMMENDATION(S):

- (1) That Cabinet approve the revised Housing Assistance Policy 2019-22 attached in Annex 1.**
- (2) That Cabinet approve the ECO Flex Statement of Intent (SOI) attached in Annex 4 associated with the revised Housing Assistance Policy.**
- (3) That delegated authority is given to the Group Manager for Public Health and Regulatory Services in consultation with the Cabinet member for Housing to make minor adjustments to the policy based on demand and local priorities.**
- (4) That delegated authority is given to the Group Manager for Public Health and Regulatory Services in consultation with the Cabinet member for Housing to suspend some or all non-mandatory parts of the revised Housing Assistance Policy attached in Annex 1 (all elements of the Policy other than section 4.1 Disabled Facilities Grants) if adequate funding is not available.**

Relationship to the Corporate Plan: The Housing Assistance Policy sets out the forms of financial assistance that may be available subject to available funding. The policy concentrates on disabled adaptations and assisting elderly and vulnerable people. The policy will help the Council meet Priority 2: Homes of the Corporate Plan by considering the impact of an aging population and helping the elderly to retain their independence and remain in their own home.

Financial Implications: The assistance detailed in the policy will utilise the Better Care Fund (BCF) allocation received by the Council. The delivery of the assistance will be dependent on available external funding from the BCF pot held by Devon County Council.

The Council is not expected to provide its own capital towards the delivery of the assistance as the BCF is currently sufficient to cover existing demand. The Council will however retain responsibility for meeting demand for mandatory Disabled Facilities Grants (DFGs)

Future allocations of the BCF from Devon County Council will be made on a demand basis and therefore the allocation may differ from that published by Department for Communities and Local Government (DCLG). This is to ensure that the basic demand for mandatory DFGs is met first as a priority for the whole of the County before any remaining funding is distributed to the district councils for the other forms of assistance found in the policy.

There is an ability for the Council to suspend all or parts of the discretionary elements of the policy locally (i.e. everything except the mandatory DFGs) if BCF funding is not adequate within any given year due to exceptional demand. Authority to make this decision is set out in Recommendation 4.

However, currently the Council has benefitted from substantially more funding and therefore Recommendation 3 seeks to be able to provide additional assistance where demand presents itself to ensure the full utilisation of the available grant pot.

Legal Implications: The Council must have an up to date and relevant Housing Assistance Policy under Article 4 of the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 in order to be able to provide assistance across the district.

The Home Energy Conservation Act 1995 (HECA) requires local authorities to produce a plan to achieve improved home energy efficiency. The plan must identify practicable and cost-effective measures likely to result in significant energy reduction in all residential accommodation in their area i.e. across the private sector housing and social housing stocks. The statutory HECA guidance requires us to report this plan to the Government every two-years and ECO schemes (see Section 3.7 and Annexes 3 and 4) form the major part of our submission in respect of private sector housing i.e. over 90% of the local housing stock.

Risk Assessment: Not having a relevant policy means that the Council would be unable to utilise the BCF for anything other than the mandatory DFG. This may have an impact on the Councils ability to help vulnerable households across the district.

Equality Impact Assessment: A full equality impact assessment was undertaken for the policy in 2018 and no substantial changes have been made that affect the validity of the assessment that was undertaken at that time. No further equality issues have been identified within the policy and none have arisen to date as a result of its implementation. The Public Sector Equality Duty will apply to decisions made under this policy.

1.0 Introduction

- 1.1 The Better Care Fund intentionally provides more funding to Devon than is currently required to meet the demand for mandatory DFGs only. A wider policy is needed to allow the Devon councils to spend the BCF on assistance that helps a wider range of households and meets the broader BCF objectives.
- 1.2 The policy agreed in February 2018 substantially updated and replaced the previous Mid Devon Private Sector Housing Renewal Policy adopted in 2012.

The Policy presented by this report has been updated based on the experience of delivering the new policy over the past year.

- 1.3 The revised version of the policy can be found in Annex 1 to this report.
- 1.4 In addition there have been changes to the ECO flex fund and therefore this needs to be reflected in the statement of intent (SOI). The SOI is a mandatory requirement setting out the specific terms for accessing this funding locally. This will allow the council to continue to provide assistance to local residents to improve the energy efficiency of their homes and reduce their fuel bills.

2.0 Main scope of the policy

- 2.1 The policy aims to provide a consistent approach to the delivery of the BCF across Devon that satisfies the terms of the funding agreement.
- 2.2 The policy will provide the flexibility and discretion for the councils to provide appropriate assistance to meet the following objectives:

Objective 1 - Assist disabled residents to remain in their own homes through supporting the provision of adaptations (so far as this is necessary, appropriate and reasonably practicable) to prevent admissions to care and to assist with delayed transfers where possible.

Objective 2 – Safeguard the health and well-being of vulnerable residents by removing unnecessary hazards to health and safety in the home to reduce avoidable emergency admissions

Objective 3 – Provide adaptations that are suitable for the future by ensuring the scheme of works is dementia aware.

Objective 4 – Assist vulnerable people to afford to heat their homes through appropriate energy efficiency and heating measures.

- 2.3 These objectives meet the combined priorities of the BCF, the district councils and the county council in Devon.

3.0 Summary of the Assistance contained in the policy

Mandatory Disabled Facilities Grant (DFG)

- 3.1 The delivery of the Disabled Facilities Grant programme is mandatory and a statutory function of the local housing authority (Public Health/Private Sector Housing Team). The delivery of this function is governed by the Housing Grants, Construction and Regeneration Act 1996.
- 3.2 There are no proposed changes to this part of the policy other than to introduce clarification that additional works specifically required to manage disability caused by dementia or related conditions are eligible.

Accessible Homes Grant

- 3.3 The Accessible Homes Grant enables an enhanced offer in addition to the Mandatory Disabled Facilities Grant subject to available funding.
- 3.4 This grant is available in the following circumstances:
- Where a mandatory grant has been approved but the cost of the work exceeds £30,000
 - Where there are works that may not be covered by the DFG in relation to adapting the home and making it safe.
 - Where the means test identifies that a contribution is required.
 - Where moving house more appropriate than adapting the existing property.
- 3.5 The main change to this part of the policy is the introduction of a stair lift grant. This grant is not means tested and is available to provide an internal stair lift where a need has been identified by an NHS Occupational Therapist or a Social Services Occupational Therapist. This means that we can help people be discharged from hospital much more quickly.
- 3.6 Mid Devon together with Exeter City Council have been piloting this change successfully since December 2018 (see Cabinet Member for Housing decision dated 10/12/2018 on the MDDC decision register available at [<decision>](#)).

Healthy Homes grant

- 3.7 The Healthy Homes grant is a flexible grant to provide urgent/essential repairs to the home to ensure the health, safety and welfare of the occupier. This has been extended to include helping those residents at risk due to hoarding or accumulations in their property.

Home Improvement Loan

- 3.8 Wessex Resolutions Community Interest Company (WRCIC) currently administers loans within the requirements of this policy and the local policies of each district council within Devon. The Home Improvement Loan is a flexible product that can be used for the following purposes:
- Home repairs and improvements
 - Adaptation works where grant is not available
 - To cover a client contribution to a grant
 - To cover the cost of the work over the DFG or Accessible Homes grant maximum.
 - To bring empty homes back into use
 - For landlords to carry out repairs or improvement to rented accommodation
 - For energy efficiency improvements
- 3.9 Continued participation in the home improvement scheme is reviewed on an annual basis by the Cabinet Member for Housing and the Director of Operations, in consultation with the Councils s151 Finance Officer.
- 3.10 There are no proposed changes to this part of the policy.

ECO3 and the ECO Flex ‘Top up’ Grant

- 3.11 Where a client is eligible for a grant provided by an external third party under the Energy Company Obligation (ECO) Flex funding and ECO top ups (HHCRO – Home Heating Cost Reduction Obligation) the client may apply for a top up grant from the council. This will only be available where the ECO flex funding does not cover the full cost of the work. The ECO Flex top up grant aims to meet the funding gap for energy efficiency measures..
- 3.12 The eligibility for ECO Flex funding itself is subject to a separate Statement of Intent that needs to be issued by each Local Authority. That Statement of Intent sets out local eligibility criteria. No ECO funding is provided by the Local Authority.
- 3.13 The first phase of the Energy Company Obligation (ECO), known as ECO1, ran from January 2013 to March 2015. This placed obligations on larger energy suppliers to deliver energy efficiency measures to domestic premises in Great Britain. The next obligation period, known as ECO2, launched on 1 April 2015 and ended on 31 March 2017. The government had taken action to extend ECO2 until at least the end of September 2018. Following this 18-month period, the Government was expected to introduce a longer term scheme.
- 3.14 In July 2018, the Government confirmed that the ECO3 scheme would become a 100% Affordable Warmth scheme. The Electricity and Gas (Energy Company Obligation) Order 2018 (“the ECO Order”) are the regulations that will bring into force the third ECO scheme (ECO3).
- 3.15 ECO3 supports low income, vulnerable and fuel poor households meaning that all measures should be delivered to these groups. The scheme helps homes to reduce their energy bills and consequently tackles fuel poverty and vulnerability to the cold. The scheme will run until 31 March 2022. This meets the objectives of the Better Care Fund allowing the use of that money to help ‘top up’ where needed.
- 3.16 A key change introduced by the ECO Order is that funding will not be available for replacement of oil or coal heating systems. In future systems will be funded under the scheme that source renewables such as air source heat pumps, ground source heat pumps and biomass boilers.
- 3.17 Cavity, solid wall, loft and other insulation (double glazing, draught –proofing) remain as eligible measures along with heating controls and solar panels.
- 3.18 Mid Devon District Council produced a Statement of Intent (SOI) in February 2018 during the ECO2 funding phase. The SOI outlines the Council’s criteria for eligibility for ECO measures that should be adopted by heating and insulation installers. During this phase (Feb-Oct 2018) the Council approved declarations for almost 100 properties. From 1st November (commencement of ECO 3) to date the Council has approved a further 17 applications.

- 3.19 The majority of new applications are primarily for insulation. This partly reflects the fact that the replacement of oil/coal heating systems has been removed from the scheme and that installers are in new negotiations with their funders (Energy companies) following the revised ECO3 obligation rules.
- 3.20 With the introduction of ECO3 it is timely that we review the current SOI to ensure it is in line with the government's intentions. Properties with a reliance on solid fuel heating will be removed from the eligible criteria list. In addition, it is proposed that the income criteria is increased to '£38K and under'. This reflects the increase cost of heating systems that use renewables, increasing heating bills and is comparable to other district income thresholds.
- 3.21 The proposed SOI is contained in Annex 2.

4.0 Recommendation

- 4.1 That the PDG consider the updated policy in Annex 1 and recommend it for approval by Cabinet.
- 4.2 That the PDG recommends Cabinet approve the updated ECO Flex Statement of Intent (SOI) attached in Annex 2 associated with the revised Housing Assistance Policy.
- 4.3 That PDG recommends that delegated authority is given to the Cabinet member for Housing in conjunction with the Group Manager to make minor adjustments to the policy based on demand and local priorities.
- 4.4 That the PDG recommends that delegated authority is given to the Cabinet member for Housing to suspend some or all non-mandatory parts of the revised Housing Assistance Policy attached in Annex 1 if adequate funding is not available.

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Circulation of the Report:

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List of Background Papers:

MDDC Housing Assistance Policy 2018-19 (previous policy)

More information on Wessex Home Improvement Loans is available [<here>](#)

More information on the national ECO Flex scheme is also available at [<here>](#); and by downloading the following document:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/608042/ECO_Help_to_Heat_flexible_eligibility_guidance_for_LAs.pdf

Annex 1 – Devon Wide Housing Assistance policy 2019-22 (attached separately)

Annex 2 – ECO Flex Statement of Intent (SOI) (attached separately)