

Ward: All

Portfolio: Housing Services and Governance

FROM: Cllr Richard Pinnock

Date: 14th December 2020

SUBJECT: Safe and Healthy Homes Policy

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	Seen by:	Name	Date
Report Sign off	Legal	Alex Kershaw-Moore	23/11/2020
	Finance	Richard Bates	26/11/2020
	Deputy Chief Executive Officer	Tracy Aarons	30/11/2020
	Group Manager	Jai Vick	30/11/2020
Summary:	<p>The purpose of this report is to present a review of the Safe and Healthy Homes Policy for adoption. The policy was agreed in principle by Cabinet in October 2020 pending adoption by Full Council.</p> <p>The policy fulfils our requirements under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 and The Housing Grants, Construction and Regeneration Act 1996 to demonstrate how we allocate financial assistance to improve housing in our district. It covers disabled adaptations, facilitating homes to be safer, healthier and warmer places to live and bringing empty homes back into use.</p> <p>The current policy has been identified as being in need of updating to modify the financial assistance available to residents, explaining the assistance available, who is eligible and how it can be accessed.</p> <p>An amended policy better reflects our priorities as a Council and emphasises our commitment to provide targeted and fair financial assistance to support vulnerable people. Such amendments including those focussed on improving energy efficiency and tackling fuel poverty and climate change should be incorporated and adopted into the policy as soon as possible in order to ensure effective service delivery.</p>		
Recommendation:	<p>Council is recommended to make the following decisions:</p> <ol style="list-style-type: none">1. Approve the adoption of the revised Safe and Healthy Homes Policy to replace the existing Policy.		

	<p>2. Delegate authority to the Group Manager for Housing Services in consultation with the Portfolio Holder for Housing Services and Governance to make future operational and legislative changes to the policy.</p>
<p>Direct and/or indirect impact on service delivery to our customers and communities</p>	<p>The Policy directly impacts in a positive way on those residents who are living in homes that are unsuitable for their needs, have a low energy rating, are living in homes which are putting them at risk of ill health and injury and by helping to bring empty homes back into use to increase the available housing stock. It is aimed at residents and their families who may be on a low income, at risk of fuel poverty, disabled and vulnerable. The amendments build flexibility into the policy so our assistance is more widely available and provides greater access to energy improvements for residents including those on lower income.</p>
<p>Financial Implications:</p>	<p>The amended Policy will be delivered within existing budgets.</p>
<p>Climate Change Risks and Opportunities:</p>	<p>The toolkit has been completed. No risks were identified of significant weighting. An opportunity to encourage and facilitate more energy efficiency measures through retrofitting existing homes was identified and forms the approach to this policy.</p>
<p>Legal Implications:</p>	<p>Part 1 of the Housing Grants, Construction and Regeneration Act 1996 places a statutory provisions on the Council to deliver Disabled Facilities Grants (DFGs).</p> <p>The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (Article 4) requires the Council to adopt a Policy for providing assistance for the purpose of improving living conditions in their area.</p> <p>This policy meets the aims and requirements of the aforementioned legislation.</p>
<p>Crime and Disorder Implications:</p>	<p>There are no crime and disorder implications.</p>
<p>Equalities Implications:</p>	<p>These proposals are expected to have positive impacts on a number of equality groups.</p> <p>An equalities impact assessment has been carried out and the overall impact of the policy is to improve the housing available for residents. There is no evidence to suggest that the policy would have an adverse impact on any group.</p>
<p>Risk Assessment and Adverse Impact on Corporate Actions:</p>	<p>Not appropriately allocating funding to often the most vulnerable people in society could lead to further costs in the future, and does not address the priorities of the authority.</p>

INTRODUCTION

The Safe and Healthy Homes Policy has been developed to set out a clear approach that the Council will take when delivering financial assistance to improve housing in the area. It is delivered by the Private Sector Housing Team in conjunction with a number of key partners.

Following a review of the current policy in line with the council's priorities and a focus on tackling fuel poverty, deprivation and climate change, an updated and amended version of the policy has been drafted to reflect current priorities and expand our financial assistance.

The focus of the amended policy is (as the policy has always been) to improve the housing conditions and availability of safe and healthy homes for residents of Mendip, particularly targeted at vulnerable residents by delivering housing assistance across four key themes which have all been updated:

- I. Disabled adaptations;
- II. Safer homes;
- III. Energy efficiency;
- IV. Bringing empty homes back into use.

The existing policy is now considered out of date and not in accordance with the Council's current priorities. Authority was sought and agreed by Cabinet to use and rely on the amended version of the policy, pending formal adoption by Full Council which is now requested.

BACKGROUND

The current Policy was adopted in 2018 and since then there has been a change in priorities, including the introduction of a climate emergency declaration in February 2019. As a result officers have conducted a review of the policy to assess it against the Council's priorities.

In reviewing this policy, the purpose is to bring it in line with the Council's current priorities, update it to reflect the current need and incorporate further assistance available with regards to energy efficiency improvements to help tackle fuel poverty.

The Policy will be delivered in conjunction with a number of council services and external partners and in doing this review the following key stakeholders have been consulted:

- Mendip Adult Social Care
- Children with Disability Team
- Ferret financial testing
- The Centre for Sustainable Energy (CSE)
- Lendology CIC
- Mendip DC Housing Options Team
- Neighbouring local authorities
- Somerset Independence Plus (SIP)
- Social Deprivation Working group (SDWG)

INTERDEPENDENCIES

This report is closely interrelated to the work of the Social Deprivation Working group and CEEG.

A paper on fuel poverty was taken to Cabinet in November 2020 and the amendments to the policy closely align with the approach to fuel poverty and directing resources where they are needed most.

Summer Economic Update - Green Homes Grant

In July, the Chancellor of the Exchequer delivered his Summer Economic Update and outlined a series of measures, including a £2 billion Green Homes Grant.

The Green Homes Grant will mainly be delivered via a voucher scheme which is available via the [Simple Energy Advice website](#). The scheme hopes to provide at least £2 for every £1 homeowners and landlords spend to make their homes more energy efficient, up to £5,000 per household. For those on the lowest incomes, the scheme will fully fund energy efficiency measures of up to £10,000 per household. The objective is to support green jobs and help strengthen the supply chain to help meet the Government target of net zero greenhouse gas emissions by 2050.

The policy review has been designed to accommodate and complement this scheme acknowledging that many residents will be able to access funding from third party sources. Mendip funding will be available to start the process by funding EPCs, top up vouchers where necessary, plug any gaps and cover improvements not included in the voucher scheme.

In addition, opportunities for Local Authorities to bid for funding were also introduced. A Somerset bid has been successfully made for round 1A funding. It will mainly be focused on local authority owned stock in the county although will also provide an opportunity to upgrade privately owned houses in Mendip. Unfortunately, it was not viable for Mendip to bid on our own in round 1A as we do not have a housing stock or commissioned installers in place for rapid delivery. A round 1B has been launched and a bid with our district partners is being closely considered. A second round will also be available through the regional Energy Hubs and talks have already commenced to see how a regional bid could be shaped.

The amendments to the policy hope to align with other funding streams allowing residents the greatest opportunities to access energy efficiency improvements.

SIGNIFICANT CHANGES FROM THE CURRENT POLICY

Various administrative amendments have been made throughout the document and the significant changes are summarised below:

Significant changes	Page
1.0 Introduction: The Council's priorities have been incorporated.	4
1.3.1 Disabled adaptations: Flexibility to use the better care Fund for	5/6

preventative, disability and wider social care initiatives.	
1.3.2 Safer homes: More detail provided on access to the Safer Home Grant and availability to vulnerable people.	6
1.3.3 Energy efficiency: Summary of energy grants and loans.	6/7
2.0 Summary of financial assistance available.	8
3.3 Disabled adaptations: Summary of adaptations that are available including incorporating assistive technology, home safety and energy efficiency.	11/12
3.3.4 Prevention work and fast tracking: Information on flexibility to forego means testing in certain cases, prevention work and fast tracking to urgently complete works.	14
3.4.1 Safer Home Grant: Information updated on provision of the Safer Home Grant.	15
3.5 Energy efficiency: Details on the new provision for Energy Grants and loans.	16/17
4.1.1 Work falling outside the usual scope of this policy: Flexibility added to when Council supported loans can be provided.	19
4.1.4 Terms used: Description of vulnerability.	20
4.2 Quotes: Clarification on quotes required for work.	21
4.6: Details on when MDC may refuse or withdraw a grant.	23/24
Appendix 1: Inclusion of Council tax Support/reduction as a passporting benefit.	25
Appendix 3: Work required to make homes safer, healthier and warmer - more detail provided around thermal comfort, energy efficiency and hoarding that could benefit from financial assistance.	27
Appendix 5: Details of financial assistance available for energy efficiency related works.	30

KEY POLICY THEMES

I. Disabled adaptations (existing policy area with amendments)

Mendip has a higher proportion of older people than the national average and it is expected that the older population will significantly increase over the coming years. It is also estimated that by 2030, the number of people over 65 with mobility problems and a

limiting long-term illness will increase considerably across the County, many with a support need, most commonly for a physical disability.

With an aging population, we will need to ensure with our partners that existing and planned services can meet the projected increase in demand over time. This will include the need to ensure means for adapting properties continues to be available.

Disabled people are less likely to be in employment than non-disabled people; 3.5% of people aged 16-74 in Somerset described themselves as economically inactive because of long-term sickness or disability. This can affect the ability for a disabled owner occupier to maintain their property adequately.

Lack of resources can lead to disabled people living in unsuitable housing which is why DFGs, discretionary grants and loans are vital to adapting existing properties to meet the need and facilitate independent living in safe homes.

Older people and people with disabilities and health conditions are particularly vulnerable to the effects of a cold home. For instance, people suffering from Chronic Obstructive Pulmonary Disorder (COPD) are four times more likely to be admitted into hospital for respiratory complications during the winter months.

MDC have a statutory duty to provide DFGs to residents of Mendip using the funding specifically allocated to us from Government. DFGs are generally means tested and available to all people with disabilities living in the district to enable them to live more independently at home. DFGs are available up to the statutory maximum of £30K and are available to tenants, home owners and for occupants living in qualifying houseboats, park homes and caravans.

To top up a DFG, discretionary grants up to a further £30K are available where there are no other sources of funding and these tend to be used for large extensions often for disabled children. Loans of up to £25K are also available.

A recommendation is required from Adult or Children's Social Care (SCC), usually after a visit from an Occupation Therapist to confirm that the works are necessary and appropriate for the disabled person's needs. The Council then consider whether the work is reasonable and practical.

The purposes for which a DFG must be approved (subject to eligibility and to the test of resources) are specifically defined in section 23 of the Housing Grants, Construction and Regeneration Act 1996 (as amended). Eligible works mainly involved facilitating access to and around the dwelling, including to a garden. Other specified purposes include making the dwelling/building safe, providing or improving heating systems, facilitating the preparation and cooking of food, facilitating the use of a source of power, light or heat and facilitating caring responsibilities of the disabled person. This is a service that continues from the existing policy.

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gives Local Authorities the ability to apply discretion and use available funds where needed outside of the strict confines of the Housing Grants, Construction and Regeneration Act. The amendments to the policy enhance this discretion to allow funding to be provided more flexibly, fast track urgent cases, facilitate hospital discharges and ensure people with terminal and degenerative conditions are supported.

II. Safer homes (existing policy area with amendments)

There is a strong correlation between unsatisfactory housing conditions and households in economic and social disadvantage. It is also generally known that elderly and vulnerable private sector households are often over-represented in non-decent housing.

The grants in the policy are aimed primarily at homes with lower income. People on low incomes may see their living costs affected by increasing fuel and food costs, leaving less resource available to afford property maintenance. These households in some cases may rely on benefits and would benefit from assistance.

Safer home grants and loans are available to assist householders and landlords to improve their properties to make them safer, healthier and warmer. This will include reducing health and safety hazards, working towards meeting the decent homes standard (Appendix 3 of the policy), completing urgent repairs and energy efficiency measures.

Safer Home Grants are designed to help vulnerable, low income households improve their properties to keep them safe in their homes. Grants of up to £10K are available for homeowners in receipt of a means tested (passport) benefit (see Appendix 1 of the policy) or considered to be vulnerable. Providing grants to residents who may not be on a passport benefit but are vulnerable, is an amendment to the policy that provides a safety net to ensure low income households do not fall through the gap. Up to £1K is accessible to vulnerable tenants. These grants are also available in conjunction with a loan and for residents not eligible for a loan due to financial hardship.

Households who are able to afford to repay a loan, but often unable to borrow money on the high street, will be given the opportunity to securely borrow finance through our partners (Lendology CIC previously known as Wessex Resolutions) and if necessary have their loan topped-up with a grant. Loans are available to home owners and landlords of up to £25K and can be used for a variety of measures to assist occupants to remain living safely in their homes. They can also be used for renewable energy installations.

Lendology CIC

Lendology previously known as Wessex Resolutions have a partnership with Mendip DC going back to 2005 facilitating eligible homeowners to fund essential home repairs, improvements or adaptations. The partnership was created through a central Government grant designed to enable a sustainable solution for homeowners and Mendip DC are one of a number of local authorities including all the Somerset Districts to be part of the consortium. Across the consortium, over £11 million has been lent and £7 million has been recycled for the benefit of future clients.

In 2012, Lendology CIC registered as a Community Interest Company (CIC) reflecting their ethos and the benefits the scheme brings to communities. Applicants receive a personalised home visit and the ethical approach is reflected in the flexibility of the offers available and the bad debt rate which sits at 0.17%, significantly below the overall UK rate of 1.3%.

III. Energy efficiency (enhanced section of the policy with new grants available)

In February 2019, the Council declared a climate emergency, pledging to make best endeavours to enable the district to become carbon neutral by 2030. Work carried out following the declaration has highlighted that carbon emissions from stationary energy comprise of 50% of the district's total carbon footprint and of that, residential buildings are responsible for 42% of carbon emissions from stationary energy consumption. Energy used to heat and power homes is responsible for 25% of the district's entire carbon footprint.

Energy Performance Certificates (EPCs) illustrate the current and potential energy performance rating for a dwelling. They are rated from A to G, with A being the most efficient and G being the least. EPCs are useful for households to have so they can understand the current rating of their property and how it may be improved to save energy and save money.

Around 74% of Mendip households (~37 thousand) have an EPC. This leaves around 13,000 properties without an EPC and many of the existing ones are likely to be out of date and not representative of the current situation in the property, e.g. improvement works may have already taken place or the property altered in some way.

The majority of households in Mendip (who have an EPC) have a current EPC rating of band D (34%), with the second largest having band C (26%). This is consistent with the England and Wales average being band D.

Band D accounts for the largest share of emissions (although this is due to the large number of properties in the band) and importantly, many properties with an EPC in Mendip can be improved. To give examples from the EPCs available:

- 1,391 dwellings could achieve band A – the most efficient rating
- 11,367 dwellings could achieve band B
- 4966 of the dwellings in band D, could achieve band B
- 2,401 dwellings in band E or F could move to band C
- 527 dwellings in band G (the least efficient rating) could achieve a band D

Residents living in homes with low EPC ratings will spend more on fuel to keep their home adequately heated and are more likely to be fuel poor. Looking at England figures from 2017, average annual fuel costs for the least efficient properties (Band G) were three times higher (£2,861) than costs for the most efficient properties (£939) (Band A-C).

According to the Government's definition, a household is in fuel poverty if:

- Their required fuel costs are above average (the national median level), and
- If they spent that amount, their remaining income would put them below the official poverty line.

Fuel poverty is driven by low income, high fuel prices and poor energy efficiency.

In Mendip over 4,700 (9.4%) of households are considered to be in fuel poverty. In comparison the average for Somerset is 9.7% and England is 10.3%.

[Sub-regional fuel poverty data 2020](#)

Fuel poverty can have a detrimental effect on the household (physical health, mental health and wellbeing, attainment, nutrition and education), and often results in increased property maintenance costs.

In England, 91% of all fuel poor households have an EPC rating of D or lower. 23.4% of households that live in a G rated property are fuel poor compared with 3.2% of people living in a property with an EPC rated A-C, demonstrating that those living in homes with poor energy efficiency are more likely to be fuel poor as a result.

People on a low income and/or with high living costs are most affected by fuel poverty and fuel poverty tends to be more common with older people, people who are unemployed, single parent families, people with disabilities or long term health conditions and people living in homes that have low EPC ratings.

This helps direct where we need to focus our resources.

The Centre for Sustainable Energy (CSE) is commissioned by the Council to provide free, local and impartial energy advice directly to residents to help them save money and access financial assistance to improve the energy efficiency of their homes. The CSE are commissioned to support 250 customers per year and provide 6 home visits. This supports our work by providing a dedicated expert resource. Residents and property owners are directed to the CSE for advice and assistance and the more vulnerable clients are provided with enhanced support to secure energy improvements.

The CSE also administer the ECO Flex work within Mendip. Our ECO Flex Statement of Intent (SoI) facilitates energy improvements in Mendip and allows installers to access ECO funding to install measures for lower income and fuel poor households. This has secured the improvement of 29 homes in 2019 and 37 so far this year (end of August). This also supports the Warm Homes Fund which CSE help deliver along with our Home Improvement Agency – Somerset Independence Plus, to target lower income households with energy improvements.

Energy grants are a new addition to the policy and allow householders (in the private sector) to access free EPCs, obtain small grants towards works and complete measures to improve the energy efficiency of their homes. The level of grant increases for residents who are more vulnerable.

- **Energy Performance Certificates (EPCs) grant:** Up to £100 available to all private households to pay for the cost of obtaining a domestic EPC where there is no up to date EPC in place. Subject to available funding.
- **EPC Improvement Grant:** Available for properties with an EPC rating of D or lower (D, E, F, G) to make energy efficiency improvements to improve the EPC rating. Up to £500 is available to owner occupiers and private landlords. Not subject to means testing. Where an occupant/tenant is in receipt of a means tested benefit (e.g. Housing Benefit), or is disabled, elderly or considered by the Council to be vulnerable, private landlords can access up to £1000 (vulnerable owner occupiers can access the Safer Home Grant). Subject to available funding.

These grants can be used to pay for works direct or top up external grants such as the Government Green Home Grants and ECO funding etc.

- **Disabled Facilities Grant (DFG) energy grants:** Recipients of DFGs will be offered a free EPC as part of the DFG process (where there is not a current EPC in place). Where the EPC rating is D or lower (D, E, F, G), and where external grant funding is not available. In appropriate circumstances a contribution of up to £5,000 towards the recommended works and works to improve the energy efficiency of the property may be offered, as part of the DFG process. Subject to DFG criteria, grant limits and available funding.
- **Energy top up grants:** Where applicants have accessed funding from third parties and are required to top-up or contribute towards the energy measure, on a case by case basis additional grant funding will be considered to pay towards the top up (based on financial circumstances and vulnerability).

Safer Home Grants and loans can also be used for energy efficiency measures, and additional energy measures can also be provided when completing disabled facilities grants.

IV. Bringing empty homes back into use (existing policy area with minor amendments)

In Mendip there are around 534 long term empty properties (over 6 months empty) recorded via Council Tax. Of these, 156 have been empty for over 2 years and will be paying the Council Tax premium of 100% (effectively double council tax).

All homes that are empty for 6 months are contacted and the owners are offered advice and assistance to bring them back into use so they can be occupied and rented. Homes lying empty tend to be so for a variety of reasons; they may be going through probate, require work, on the market to be sold or hold sentimental value. They are also a much needed resource for the residents of Mendip to provide housing options and prevent homelessness.

Grants and loans are available to owners of empty homes to undertake essential repairs to bring properties back into use. Properties will usually have been empty for over 6 months to qualify and varying amounts of grant are available depending on how the property will be occupied.

- Up to £3,000 is available to bring an empty home back into use.
- Up to £5,000 is available to bring an empty home back into use if let on a minimum 12 month tenancy.
- Up to £15,000 is available to bring an empty home back into use to help prevent homelessness. The landlord must sign up to a 5 year nomination rights agreement to take people off the housing register and rent the property at Local Housing Allowance rate.

Loans of up to £25K are available in addition to three tiers of grants as detailed above. Amendments to the policy allow for financial assistance to be accessed by owners of empty commercial units to convert to residential where there is a housing need and the necessary permissions are in place.

DEMAND AND DELIVERY

Through the policy, the purpose is to improve homes to make them safer, healthier, and warmer (especially for vulnerable and disabled people) so they can live independently in their homes.

It is acknowledged that there is a limited take up of financial assistance, meaning that the grant budget is historically underspent. The changes to the policy hope to increase that take up along with strategically led promotional activities, undertaken in conjunction with the Marketing and Media team and key partners.

Grant budgets

Service	Grant source	Grant funding 20/21*
Disabled Facilities Grants (DFGs) and adaptations.	Better Care Fund. Ring fenced Government grant for disabled adaptations and social care.	£889,785
Safer Home Grants	Capital allocation from Mendip DC to improve homes.	£220,000
Empty Home Grants	Capital allocation from Mendip DC to help bring empty homes back into use.	£30,000
Loans (safer home, energy, empty home and DFG top ups)	Pot held and delivered by Lendology CIC (previously Wessex Resolutions CIC).	£476K available for borrowing (1 st June 2020)

*Additional carry forward is also available.

In previous years the Private Sector Housing team have delivered the following cases and spend with similar levels of available grant funding.

Assistance	2017/18		2018/19		2019/20		2020/21 (11 th Nov 2020)	
	Cases completed	Total spend	Cases completed	Total spend	Cases completed	Total spend	Cases completed	Total spend
DFGs	64	£458K	58	£665K	60	£670K	24	£219K**
Loans	3	£43K	3	£30K	4	£20K	1 3	£20K complete, £40K sanctioned
Safer Home Grants	1	£10K	2	£11K	6	£30K	9	£34K
Empty home grants	6	£18K	6	£18K	3	£9K	2	£6K

**Significant delay to completion of cases due to COVID 19. A further £430K of spend is committed.

This work will continue to be delivered as part of the usual services already offered by the Private Sector Housing Team within existing staff, capital grant allocation and revenue streams. The proposed changes to our policy seek to tailor our offers towards energy efficiency, increase take up, encourage households to get EPCs and facilitate improvements through grants and loans.

- EPC improvement grants and Energy top up grants will be funded from the capital allocation from Mendip DC (currently used to fund the Safer Home Grant and Empty Home Grant).
- DFG energy grants will be funded from the Better Care Fund.
- EPC grants will be funded from existing revenue streams as resources allow.

Grants and loans will be delivered as funding allows, and if a position is reached where budgets are being exhausted then financial assistance will be reviewed. Spend will also be reviewed during the year to monitor how it is being used and if any changes are required. Internally budgets may be separated to allow dedicated amounts of fund to be allocated to different measures e.g. a cap on the amount of EPC grants.

RECOMMENDATION

Council is recommended to make the following decisions:

1. Approve the adoption of the revised Safe and Healthy Homes Policy to replace the existing Policy.
2. Delegate authority to the Group Manager for Housing Services in consultation with the Portfolio Holder for Housing Services and Governance to make future operational and legislative changes to the policy.

Contact Officer: Jeremy Manners
Extension: 07970 701 432
e-mail: Jeremy.manners@mendip.gov.uk

List of background Papers:

- Safe and Healthy Homes Policy