

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF ENVIRONMENTAL AND HOUSING SERVICES	EXECUTIVE COMMITTEE	25 APRIL 2024	7
UPDATES AND AMENDMENTS TO THE HOUSING ASSISTANCE POLICY ENCOMPASSING THE DISABLED FACILITIES GRANT, BETTER CARE FUND ADAPTIONS GRANT, AND AFFORDABLE WARMTH GRANT			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RELEVANT LEAD MEMBER

This item is within the remit of Councillor Chris Dixon, Lead Member for Social Wellbeing

PURPOSE OF THE REPORT

This report provides an update on the Disabled Facilities Grant (DFG) programme within Fylde and seeks approval of an amendment to the DFG and, the Better Care Fund (BCF) adaptations grant policy.

Amendments to the policy since 2022 has seen the DFG and BCF to become accessible to more applicants with the revised value of means tested funding for the better care fund, a reduction in fees for complex case's involving children, and match funding with registered providers.

A review of the 2022 policy has been necessary to decide whether the changes to the policy met the needs of the customer. On review the main driver for revision has been the cost increase of materials, fuel, and contractor rates. It has been necessary to look at the amount of funding available and if adaptations can realistically be done at the current set value.

In 2022, match funding was introduced as a trial to the policy to Improve the allocation of funding to registered Providers allowing the maximum DFG funding. The trial had a positive impact and will remain part of the policy.

All equipment provided through the BCF comes with a 5-year warranty; equipment has a life expectancy of 7 years. Once the warranty period has expired, the customer assumes the responsibility for maintaining the item(s) of equipment regardless of the test of resource result. Fylde will fund a further 2 years warranty for customers on a passported benefit.

All equipment belongs to the customer and the customer is responsible for the removal and disposal of equipment when it is no longer required. Fylde will fund the removal of equipment that is less than 2 years old and in good working order for re-use.

To note the inclusion of a new Affordable Warmth Grant Policy

RECOMMENDATIONS

Committee are requested to:

- To approve the increase of the BCF for the delivery of adaptations for a single adaptation from a value of up to £7,000 to a value of up to £8,000. With an increase in the contribution made by the applicant from £14,000 to £16,000. For two adaptations from a value of up to £12,000 to a value of up to £14,000 with an increase in the contribution made by the applicant from £24,000 to £28,000.
- To approve the continuation of match funding with registered providers for extensions to property, which would ordinarily be outside of the budget of low-income families. Often this leaves families without any adaptations and unable to move due to affordability and lack of available social housing.
- To approve the extended warranty for customers that initially passed the means test on a passported benefit.
- To approve funds for removal and re-use of equipment for Fylde residents under the BCF

BACKGROUND

Grant delivery in 2023/24

Fylde Council has been awarded £1,237,227m from the Better Care Fund to deliver adaptations in the current financial year; In November 2023 LCC awarded Fylde a further £107,960 bringing the total BCF to £1,345.187 for the 2023/24 financial year.

This year has seen an increase in demand for this service, this is partly due to Lancashire County Council (LCC) enrolling the support of agency Occupational Therapists (OTs) to help reduce the significant back log of clients that had been waiting for assessments since the service resumed post pandemic. There have also been several complex children's cases which have not only exceed the cap but the discretionary payment. This has resulted in a total spend of the BCF as of December 2023.

Over the past two years there has been significant increases in costs for fuel, materials, and energy, these costs are inevitably passed on to the consumer which has impacted on the value of available funding. The maximum DFG award is £30,000 and this has not increased for over twenty years.

Previous decisions have been made to make the DFG means testing fairer but an increase in the cap has not been deemed necessary. The decision to increase the funding from the Better Care Fund (BCF) was introduced in 2022 to offset increases seen in accelerated costs.

In 2022 the policy was amended to reduce the 15% fee to 5% on adaptations involving children and to waive the fees on complex adaptations involving children that exceeds the £30,000 cap. During 2023/24 there have been 7 complex children's DFGs where fees have been waived enabling essential grant work to be completed.

Match funding for Registered Providers (RPs) was included in the 2022 policy as a trial. In doing this, families in social housing could remain in their home without the worry of having to relocate, which can often lead to children having to leave their school and move out of the area. The trial has proven successful in keeping families in their homes with For Housing being the first registered provider agreeing to match fund.

Proposed increase to the test of resources

The pandemic and Brexit have had a detrimental effect on trade. Consequently, in 2021 the cost of materials saw a steady increase driving the decision to increase the value of the BCF. Since the last policy change in 2022, and according to, Monthly Statistics of Building Materials and Components by Department for Business and Trade.

The increased cost of "All Work" continued with a further 15.5% increase in October 2022 compared to the previous year and a further 10.4% in January 2023 compared with the previous year. Although the last twelve months has seen a slight decrease in "All Work" by 2.1%, see Table 1, this decrease is having little effect on the cost to consumers.

Previously, rising costs have been absorbed by contractors, this is no longer viable, and many contractors have increased their rates following higher UK interest rates, see Table 2. Occasionally, unforeseen circumstances such as delays, and complications with installation increase the cost beyond what was originally quoted. The concern is that the increased cost of materials and fuel along with specialist equipment and unforeseen circumstances will drive the BCF over the cap, which is currently set at £7,000 for a single adaptation and £12,000 for two adaptations. It is proposed that these values are increased to £8,000 for a single adaptation and £14,000 for two adaptations, see highlighted paragraph 5, page 12, 3.4 DFG Grant Conditions of the attached HAP.

Table 1



Source: Monthly Statistics of Building Materials and Components, Table 1

[Monthly Statistics of Building Materials and Components January 2023 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

The chart illustrates how the cost of materials has increased during and after the pandemic and Brexit.

Table 2

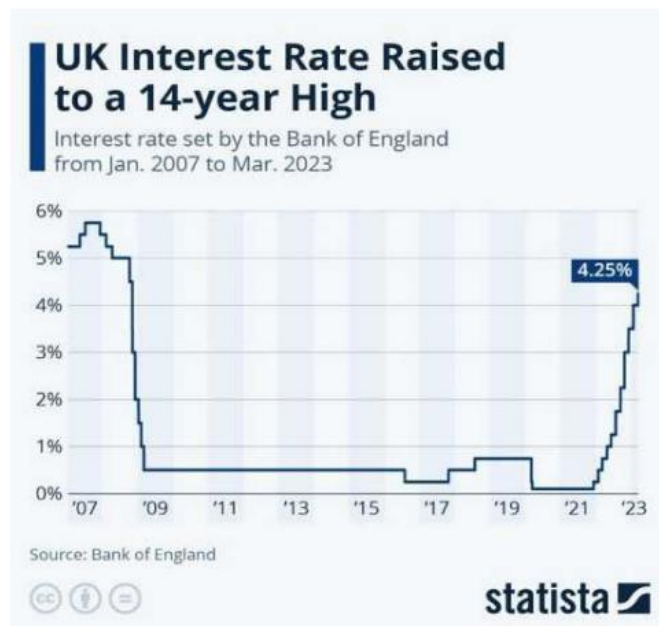


Chart: UK Interest Rate Raised to a 14-year High | Statista

The chart illustrates how the increased interest rates since the pandemic and Brexit.

Military compensation exemption

150,000 of the Armed Forces community receive compensation awarded by the Government to support with the ongoing costs of an illness or injury acquired in Service. Local authorities are not mandated to exempt military compensation within means tests for locally administered benefits. Civil compensation awards are typically exempt, and where military compensation is regarded as income, some of the poorest members of the Armed Forces community are denied the support that their civilian counterparts receive, missing out on thousands of pounds a

year. From 2024 the DFG policy will discount military compensation from the test of resource, *see highlighted paragraph, page 11, 3.1.5 DFG Grant Conditions of the attached HAP.*

Registered Provider Match Funding.

In the 2022 policy a trial period was included for match funding with RPs. This year we have approved match funding for two grants. This approval and the RPs willingness to match funds reduced the need for re-homing which puts added pressure on vulnerable families already struggling with the impact of prolonged poor health. In this situation, Fylde council now offer RPs an opportunity to match fund to the maximum DFG amount of £30,000. This can be used to extend property, and install the adaptations needed.

The first RP to agree to match funding was, For Housing, agreeing to match funds at a cost of £19,473.72 this provided a family with an extension allowing them to remain in their home. It is proposed that match funding with RPs is permanently introduced into the policy, *see highlighted paragraph 2, page 10, 3.1.5 Maximum DFG entitlement of the attached HAP.*

Amendments to the Housing Assistance Policy 2024

Warranty and Removal of Specialist Equipment

Included within the grant for items of equipment is an extended warranty which gives the customer reassurance in the event of maintenance issues or breakdown of the item, *see highlighted paragraph 8, page 10, 3.1.3 Warranty of the attached HAP.* Once the warranty period has expired, the customer assumes the responsibility for maintaining the item(s) of equipment. After discussion with Stannah, who install stairlifts and through floor lifts, it has been agreed that Fylde Council will fund the extension of warranties for customers who passed the means test on their initial test of resource, the Council will fund a further 2-year warranty period on equipment that is in good working order.

All fitted equipment belongs to the customer previously when the equipment is no longer required the customer is responsible for its removal and any incurred costs. In some instances, equipment may require removal after short periods of installation, in these instances, Fylde Council will incur the cost of removal for equipment that is less than 2 years old and in good working order. These items will be stored by our partner Stannah to be re-used for further installations within Fylde reducing cost and environmental impact, *see highlighted paragraph 6, page 12, 5.0 Discretionary Grants of the attached HAP.*

Conclusion

Since the 2022 policy, the cost of goods for trade purposes has risen sharply, other factors such as national wage increases, and bank rates continue to put pressure on contractors. Price increases were being absorbed by contractor's post Covid unfortunately, contractors are no longer absorbing these price increases and have since applied their own rate increases. The previous policy increased the value of the BCF which provided a small reprieve however, cost increases have continued requiring the BCF to do the same.

The decision in 2022 to reduce the 15% fee to 5% or to waive the fee for complex children's cases has this year funded seven large scale extensions and adaptations, previously these would have exceeded the cap and delayed completion. The flexibility of reduced or waived fees means essential adaptations can be completed within the scope of funding.

The introduction of an extended warranty for customers on passported benefits removes the financial burden for some of our most vulnerable customers. Equally, funding the removal of equipment less than 2 years old allows the service to re-use items that would be disposed of by customers, saving cost and environmental impact.

Match funding with RPs has been successful with RPs willing to look at alternative possibilities to reduce transiency. It allows those who reside in social housing the same benefits as those living in the private rental sector.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	

IMPLICATIONS	
Finance	No implications from this report
Legal	None arising directly from this report
Community Safety	None arising directly from this report
Human Rights and Equalities	None arising directly from this report
Sustainability and Environmental Impact	Improving the energy efficiency of dwellings will contribute to sustainable communities and improve the environment
Health & Safety and Risk Management	None arising directly from this report

SUMMARY OF PREVIOUS DECISIONS
1. Housing Assistance Policy 2022/24 Document.ashx (cmis.uk.com)
2. Housing Assistance Policy 2020/22 ΦBX (cmis.uk.com)

BACKGROUND PAPERS REVELANT TO THIS ITEM		
Name of document	Date	Where available for inspection
Monthly Statistics of Building Materials and Components	January 2023	Monthly Statistics of Building Materials and Components January 2023 (publishing.service.gov.uk)
Bank of England	March 2023	Bank Rate increased to 4.25% - March 2023 Bank of England

LEAD AUTHOR	CONTACT DETAILS	DATE
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Attached Documents

Appendix 1 – Draft Housing Assistance Policy (with highlighted changes)

Appendix 2 – DFG Performance Indicators 2023/24