

ECONOMY, REGENERATION AND HOUSING COMMITTEE**Wednesday 27 March 2024**

REPORT TITLE:	UPDATE TO HOUSING & REGENERATION ASSISTANCE POLICY AND FIT AND PROPER PERSON POLICY
REPORT OF:	DIRECTOR OF REGENERATION AND PLACE

REPORT SUMMARY

The purpose of this report is to seek members' approval for the proposed revisions to both the Council's Housing and Regeneration Assistance Policy (referred to as the Assistance Policy) and Policy on the test for meeting a fit and proper person and satisfactory management arrangements for the granting of an House in Multiple Occupation ("HMO") Licence and/or Selective Licence (referred to as the Fit and Proper Person Policy).

The proposals within this report contributes to the Council Plan 2023-27 Working for safe and vibrant communities where our residents feel safe and are proud to live and raise their families as well as the Birkenhead Regeneration 2040 Framework by promoting access to good quality housing within strong and sustainable communities. Both the *Assistance Policy* and the *Fit and Proper Person Policy* have key roles to play in improving the quality of the borough's private sector housing offer.

This matter affects all Wards in the Borough

This is a key decision.

RECOMMENDATIONS

The Economy, Regeneration & Housing Committee is requested to approve:

1. the proposed revisions to the Council's Housing and Regeneration Assistance Policy as set out in Appendix 1 to this report; and
2. the Policy on tests for 'fit and proper person' and satisfactory management arrangements for a House in Multiple Occupation Licence and/or Selective Licence as set out in Appendix 2 to this report

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Council has had a Housing and Regeneration Assistance Policy providing a range of assistance, including grants and loans for over 20 years. As with any policy, it is considered best practice to review, monitor and update the policy considering changes in local circumstances, need, service demands and government policy and as such it is proposed the policy be updated to reflect the necessary changes identified within this report and ensure it is fit for purpose.
- 1.2 It is also good practice to regularly monitor, review and amend (if necessary) both the Fit and Proper Person Policy to take into account changes in local circumstances, service delivery, increased needs and / or Government policy. This report sets out the changes required to respond to those identified needs.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Making no changes to both the Assistance Policy and the Fit and Proper Person Policy were considered, however, this was ruled out on the grounds that the Council is required to clearly set out the criteria for financial assistance offered and the changes set out in this report would facilitate more effective service delivery. Furthermore, if the proposed changes were not taken forward, this could result in a greater number of those households who are most vulnerable and in need to be at greater risk of prolonged exposure to hazards in the home, family breakdown, falls, hospital admissions, poor health or injury. This includes both tenants and owner-occupiers.

3.0 BACKGROUND INFORMATION

Housing and Regeneration Assistance Policy

- 3.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (referred to as the RRO in this report) gave Councils the power to provide assistance to improve living conditions in their area. This assistance can be provided for a wide range of purposes and can include such things as advice about property improvements and financial assistance in the form of grants and/or loans.

Fit and Proper Person Policy

- 3.2 Under the Housing Act 2004 is it a requirement that the proposed licence holder and manager of a licensable house/dwelling under Part 2 (Houses in Multiple Occupation) and/or Part 3 (Selective Licensing) is a 'fit and proper' person. This done by determining if they have criminal convictions for certain offences that would impact on their ability to manage the property. A licence application will be refused if it is considered that the licence holder and / or manager are unfit.
- 3.3 The Council has a policy and tests to determine both whether a landlord or manager of a licensable house is deemed to be a fit and proper person, and whether or not satisfactory management arrangements are in place.

Inflationary Uplifts to Grant Thresholds

- 3.4 Since 2020 there have been significant price rises across the building market due to significant inflationary pressures. This has increased scheme costs across the range of assistance being offered which means that applicants seeking this work will need to find additional resource to bridge any gap in funding. In order maintain realistic assistance limits that represent true costs of works, it is proposed to apply an inflation-based uplift to current limits across the policy at the beginning of each financial year, going forward. This will avoid having to raise thresholds on an ad hoc basis when difficulties arise, for example when work stalls when a high proportion of quotations for work exceeds what the council is able to pay. It is therefore proposed to increase the upper limits of assistance on the following products:

Independent Financial Advice

- 3.5 The Heating and Repair Loans between £10,000 and £20,000 can only be accessed following the recommendation of an Independent Financial Advisors on the Council's list. A flat rate fee of £300 has been fixed for over 15 years. It is proposed to increase the fee to a market rate of £495.

Heating & Renovation Assistance

- 3.6 Heating & Renovation Assistance provides a grant of up to a maximum of £4,000 for heating repairs or improvements. This limit has been in place for over 4 years. It is proposed to increase this threshold to £5,000. The number of full central heating installations undertaken annually is usually less than 5 so the impact of increasing this threshold is negligible.

Disabled Facilities Grant 'top up'.

- 3.7 Under the Housing Grants, Construction and Regeneration Act 1996, mandatory Disabled Facilities Grants (DFGs) are required to be made available by the Council for essential adaptations in the home. The DFG is subject to a means test except for children and persons in receipt of certain benefits. The maximum amount of DFG funding is currently set by statute at £30,000. This has not been reviewed by government since 2008. In 2020, the Housing Committee agreed to provide the ability to top up DFGs by a further £30,000 in those circumstances where a household's needs were valued higher than the mandatory limit. There is a concern that for those most complex vulnerable households this is approaching, and in some cases now breaching the £30,000 top up ceiling previously agreed.
- 3.8 Whilst there were 3,198 adaptations undertaken in Wirral in 2022/23 and 1,880 in quarters 1 & 2 of 2023/24, only a tiny proportion of these will fall into the higher value of full DFG. There were a total of 13 cases of maximum DFG funding in 2022/23 and 8 approved to date in 2023/24. Whilst the number of cases is small, they contain some of the most vulnerable households in the borough who have significant health, care and support needs. It is therefore proposed that the top up is increased to £50,000, which will enable timely decisions to be made, reduce risk, alleviate the pressure on both Children's and Adult Social Care budgets for the small number of cases. Any discretionary award will continue to be discussed and agreed via a

'Multi-disciplinary Decision-Making Meeting' and/or with a Senior Health professional who can provide a supporting case that works are essential and support Better Care Fund joint plan outcomes.

Minor Works

- 3.9 The threshold for minor works was set at a limit of £1,200 approximately 10 years ago. It is proposed to increase the limit to £3,000 for more complex minor works, particularly those requiring specialist fabrication, that can be delivered without means test.

Home Adaptation Grant

- 3.10 It is also proposed to increase the current funding limit on the Home Adaptation Grant product from £15,000 to £18,000 in line with the uplifts to Discretionary & Minor Works funding; as this also has not been reviewed in line with increases in costs of products, services and inflation for 6 years. It is also proposed to enable officers to include provision of Shower over Bath & Wash Dry WC adaptations under the Home Adaptation Grant route, as such items when individually installed, fit with the aims of the Home Adaptation Grant approach.

Temporary Decant

- 3.11 In addition, on occasion, for highly complex applicant needs, there may also be a requirement for a temporary decant out of their property to ensure the applicant's health and welfare is protected so the scheme can progress. It is therefore proposed that the Assistant Director of Housing and Senior Manager be enabled to exercise discretion to fund a temporary housing solution where this is not eligible to be covered under benefit rules to support a reasonable and suitable temporary decant of the applicant/relevant family unit for up to 6 months while work is progressing. This will only apply in exceptional circumstances following consideration of a business case with written evidence from an Occupational Therapist manager or Senior Health professional that this is essential.

Discretionary Assistance

- 3.12 Assistance for the full amount may be available at the Assistant Director of Housing or Senior Manager's discretion for adaptation schemes or elements of schemes outside the DFG criteria but funding of such cases will only be supported on an "invest to save" approach for Housing, Health, Adult Social Care or Children's Services. Such wider discretionary grant assistance will only be considered where the Council is advised that, if not supported, it would leave health/social care priorities at risk of not being supported with associated risks, at significant potential cost to health & social care budgets.
- 3.13 Key Health & Social Care priorities would include:
- At risk of admission to Hospital in next 12 months;
 - At risk of readmission to hospital;
 - Delayed Transfer of Care - Significant projected costs to health & Adult Social Care

- Facilitate hospital discharge; and
- Risk of carer break down/carer break down

- 3.14 It is envisaged that this discretionary assistance will be provided only in exceptional circumstances and as such will require a business case which shows “invest to save” inclusive of supporting evidence from the relevant senior health/social care professional to be considered and signed off in line with current procedures by the Manager of the Service up to £10,000 and up to £50,000 by the Senior Manager or Assistant Director of Housing.
- 3.15 An example of discretionary assistance may be when applicants whose properties cannot be adapted and therefore who would ordinarily be advised to go on the Property Pool Plus register to find alternative accommodation. Further to the recent publication of the Disabled Facility Grant delivery Guidance document 2022 from the DLUHC, discretion could be given in relation to using BCF funding to contribute towards the purchase, or moving costs of an alternative, more appropriate home when the business case highlights that this approach will achieve better outcomes (either financial or other) than adapting the existing property and furthermore social housing stock would not need to be used in this instance. It is proposed that this assistance would be limited to exceptional cases and be up to the maximum grant that would have been awarded if the current home was adapted. The business case in this instance will be considered by the Assistant Director or Senior Manager.

Fire Safety Assistance for leaseholders

- 3.16 Within the terms of the current policy, self-contained flat leaseholders can request assistance towards the provision of a flat main entrance fire door where they have a responsibility to provide such a door under the terms of the lease and following either the recommendation that such a door should be provided in the Fire Risk Assessment or where a recommendation has been made to provide such a door by the Council’s Housing Standards Team. Historically, such requests have been minimal with none received in the last 10 years. More recently the Council has received several enquiries from leaseholders in relation to such assistance and it is proposed to introduce maximum limit of £2,000 in relation to such requests in order to clarify what support is available for low-income households that meet the current thresholds for financial assistance.

Empty Property Grants – Nominations Uplift to £10,000

- 3.17 Empty Property grants for up to £5,000 are given to long term empty properties to support bringing them back into use and the grants are only awarded after the property is re-occupied. Landlords who allow newly refurbished properties to be nominated to homeless families in Selective Licensing Areas are currently eligible for an enhanced grant as an incentive for a Council nomination (up to £7,000, i.e., an additional £2,000 per property). Take up of this enhanced grant has been much lower than originally envisaged and budgeted for in the Capital Programme with only 15 completed since the uplift was introduced in 20/21. Due to the increasing pressure on the Council’s Homelessness obligations and supply of accommodation, it is proposed to raise the threshold of the enhanced grant further, to a maximum of £10,000 for a 3-year nomination once work is complete and to offer this enhanced grant borough wide to increase take-up. It is envisaged that this increase can be

funded within the existing budget allocation and monitoring will continue to ensure that the EPG programme remains within budget.

Air Source Heat Pumps/ Low Carbon Heating Systems Pilot

- 3.18 The Council currently replaces broken or obsolete central heating boilers with new, 'A' rated gas condensing boilers. Gas boilers are due to be phased out in 2035. Air Source Heat Pumps/ low carbon heating systems can be installed as a greener alternative to gas boilers and can be cheaper to run if installed and operated correctly. While not all properties will be suitable to have gas boilers replaced with Air Source Heat Pumps due to the additional upgrade works required to make the heating run efficiently, it is proposed to undertake a small pilot over the next 2 years, for a maximum of 12 properties that would otherwise have qualified for financial assistance for a replacement gas boiler. Applicants will not be forced to have an ASHP/low carbon heating system and will be given a choice to opt in or opt out of the pilot.
- 3.19 It is intended to consider rolling this out for all applicable properties following review of costs and to ensure that efficiency and running costs are not higher than traditional gas boilers and households are benefiting.

Policy on Tests for Fit and Proper Person and Satisfactory Management Arrangements for an HMO Licence and/or Selective Licence

- 3.20 In order to strengthen the Council's position regarding revoking a licence for a fit and proper person, the policy must cover being able to refuse a licence on the basis of a fit and proper person test both before a licence is issued, and once a licence has been issued if circumstances change. This will assist the Council in making decisions about revoking an existing licence, where the licence holder is no longer deemed to be a fit and proper person. It is therefore proposed that the fit and proper person policy is amended so it explicitly states that it applies to existing licence holders as well.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The proposed revised assistance under the Assistance Policy will be met from existing programme budgets from the Disabled Facilities Grant as passported via the Better Care Fund to Local Housing Authorities and the Council's Capital Programme for assistance relating to bringing empty properties back into use. As is the case already, costs for individual grants or loans will be individually assessed against national construction industry pricing guidelines to ensure value for money is achieved.
- 4.2 Where the Council can charge, services within the Financial Assistance Policy are subject to fees and charges with annual reviews as set out and published in the Council's Fee and Charges Policy.

5.0 LEGAL IMPLICATIONS

- 5.1 The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 gives Local Authorities the power to provide assistance to improve living conditions

in their area. The proposed amendments contained within this report are made using the above power.

- 5.2 Under the Housing Act 2004 is it a requirement that the proposed licence holder and manager of a licensable house/dwelling under Part 2 and/or Part 3 of the Housing Act 2004 is a 'fit and proper' person, in that they do not have criminal convictions for certain offences that would impact on their ability to manage the property. The Council has a policy detailing how it applies the test to determine a fit and proper person and the proposed amendments extend the test to cover licence holders, which in turn will inform any decisions on revoking existing licences under this legislation.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The assistance available in the revised Assistance Policy can be managed using current ICT, staffing and asset resources.
- 6.2 The changes to the Fit and Proper Person Policy can be managed using current ICT, staffing and asset resources.

7.0 RELEVANT RISKS

- 7.1 The risks of not updating the policy are that some of Wirral's most vulnerable residents won't be able to access assistance and will be subject to risks of remaining in substandard housing if they are not able to afford the client contribution due to rising costs of building work.
- 7.2 For children's cases, increasing the grant thresholds ensures the child can remain living at home with their family or foster family and for adult cases it enables the person to stay at home with independence and dignity. If adaptation schemes cannot proceed due to funding, disabled residents would be left at risk or could potentially result in the need for a move to a children's residential setting, nursing care and/or increasing costs for Health and Social Care.
- 7.3 There are no foreseeable risks to the health and safety of staff as the number of grants and loans will not increase because of the policy changes. The number of grants and loans are influenced by the overall budget allocation which is not anticipated to change. in the suggested amendments to the Fit and Property Person Policy as the provision to revoke existing licences on the grounds of a licence holder no longer being deemed to be a fit and proper person is available under the Housing Act 2004

8.0 ENGAGEMENT/CONSULTATION

- 8.1 While there is no longer any recommended requirement to consult the public on changes to the Assistance Policy, officers are continually reviewing the policy considering customer and contractor feedback which is part of an ongoing process to ensure the policy is fit for purpose.
- 8.2 The proposed amendments to the Fit and Property Person Policy are minor changes and do not require public consultation.

9.0 EQUALITY IMPLICATIONS

- 9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity.
- 9.2 An Equality Impact Assessment has been completed for the *Assistance Policy* <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>
- 9.3 An Equality Impact Assessment been completed for the Fit & Proper Person Policy <https://www.wirral.gov.uk/communities-and-neighbourhoods/equality-impact-assessments>

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

- 10.1 The Financial Assistance Policy supports the Council's response to the environment and climate emergency by promoting energy efficiency in the home, providing more energy efficient boilers and piloting a trial of renewable technology in the form of air source heat pumps, limiting/eliminating fossil fuel use for heat, and improving thermal efficiency of homes.

11.0 COMMUNITY WEALTH IMPLICATIONS

- 11.1 The financial assistance policy supports the use of SME local builders in the borough as well as local supply chains and subcontractors which in turn will boost local employment and the Wirral pound by boosting economic activity within the borough.

The Air Source Heat Pump pilot will build on local contractors able to deliver emerging renewable technologies that have been developed via Liverpool City Region retrofit programmes in recent years and extending opportunities to build this technology into the Councils main financial assistance programme.

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APPENDICES

APPENDIX 1: Proposed changes to the Housing & Regeneration Assistance Policy

APPENDIX 2: Proposed changes to the Fit and Proper Person Policy

TERMS OF REFERENCE

This report is being considered by the Economy, Regeneration and Housing Committee in accordance with Section 4.2(h)(iv) of its Terms of Reference, the Authority's role and functions to strategic and private sector housing policies and as the housing authority.

BACKGROUND PAPERS

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002

Private Sector Housing and Regeneration Assistance Policy (V12)

The Housing Act 2004

Policy on tests for fit and proper person and satisfactory management arrangements for an HMO Licence and Selective Licence

Disabled Facilities Grant (DFG) Delivery: Guidance for Local Authorities in England 2022.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Housing Committee – Proposed amendments to the Private Sector Housing and Regeneration Assistance Policy	27 th January 2021