Centre for Ageing Better

Financing Home Improvements

Local Authority Case Studies

Foundations

April 2024

Contents

About Foundations	1
Our Mission	2
Our Vision	2
Our History	2
Executive Summary	3
Introduction and Purpose of this report	11
Background	13
Rationale for selecting the five local authorities	15
Local Authority Profiles	17
Bradford Metropolitan District Council	19
Loan Case Study	29
Eastleigh Borough Council	31
Leeds City Council	37
Somerset Council	45
Loan Case Study	55
Combined Grant and Loan Case Study	57
Discretionary Grant Case Study	59
Wirral Council	61
Loan Case Study	69
Acknowledgements	71
Glossary	72
Appendix 1: Full findings for forms of financial support	73

About Foundations

Our Mission

To share the magic about what makes good home improvement and adaptation services.

Our Vision

A thriving range of home improvement agencies – supporting people to live safe, independent and happy lives in the home of their choice.

Our History

Foundations has been the UK Government appointed National Body for Home Improvement Agencies (HIAs) in England since 2000. In this role we are responsible for supporting the development of the sector by working with a wide range of stakeholders including commissioners, providers, industry, academia and central government. This means we have specialist knowledge of both the strategic drivers for HIA services and the issues around practical delivery, backed up by data driven insights.

Since 2015 our role has been expanded to lead on improving the delivery of the Disabled Facilities Grant (DFG) and to regularly conduct DFG reviews for local authorities and run a series of DFG champions workshops around the country three times a year.

Foundations have also developed the DFG Quality Standard (DFGQS); a reflective tool for local authorities to consider the wider approach to housing services at the interface with health. The DFGQS is based around the themes and provides the basis for several of the recommendations in this report.

For more information visit:
www.foundations.uk.com

Executive Summary

The Centre for Ageing Better commissioned Foundations to develop case studies of good practice models for financing home improvements beyond that of mandatory disabled facilities grant.

The five selected local authorities profiled in this report each demonstrate a different approach to financial assistance including discretionary grant, loan, area renewal, commissioning, and support for self-funders.

This study took place between February and September 2023 and was informed by reading key documents, staff interviews, analysis of questionnaire returns and conversations with residents receiving assistance from the five selected local authorities. The funding model of interest in each area is set out in the table below (Table 1).

Table 1: Summary of funding models explored in each local authority

Local Authority	Funding Models Explored
Bradford	– Discretionary grants – Loans administered by another local authority in a consortium of councils in the Yorkshire and Humberside region – Enabling role for area-based energy efficiency schemes – Support for private renters via Director of Public Health funding staff
Eastleigh	– Discretionary grants – Loans administered by the Parity Trust
Leeds	– Energy efficiency led area renewal – Commissioning an independent HIA – Support for self-funders
Somerset	– Discretionary grants focused on housing condition plus health and care outcomes – Loans administered by Lendology – Support for self-funders
Wirral	– Discretionary grants – Loans administered in-house – Director of Public Health funding staff in a Healthy Homes Service focused on selective licensing areas

Key findings

These are derived from the experience of the five local authorities and should not be considered exhaustive or comprehensive. Official guidance should be sought out by local authorities considering introducing or adapting their local finance provision.

For those looking to adapt their local loan offer, further information on this can be found here.

The findings are grouped under headings which all play a part in developing, delivering, reviewing, and maintaining a successful service. A full list of detailed findings using similar headings are set out in Appendix 1.

Strategic Drivers

It is considered important for home improvement agencies to demonstrate how the forms of financial assistance contribute to the aims of wider strategies and plans to ensure that senior managers and local political portfolio holders are aware of the connections.

Using Local Data

To ensure local policy reflects and responds to community needs and enables targeting of resources to specific areas.

- A local housing condition survey that includes a social survey is a way to improve knowledge of the local housing stock and the circumstances of the people living in it.
- If a local housing condition survey is not feasible perhaps due to cost, assembling a snapshot by mapping proxy indicators is helpful to target resources. These indicators can include households receiving means tested benefits, lower council tax bands, properties subject to complaint or enforcement action, Joint Strategic Needs Assessments, Public Health datasets, property prices or speaking to domiciliary health and care practitioners for ad-hoc views on hotspots of unfavourable housing issues.

Funding Sources

- Make good use of the Regulatory Reform Order to operate beyond mandatory DFG to better respond to unmet housing, health, and care needs.
- Four of the five local authorities were in areas that received funding from the regional housing boards prior to 2010 and still benefit from that initiative.
- Determine if local housing capital funding may be available to supplement the service.
- Identify any external funding, especially energy efficiency schemes including ECO using expertise in local Environment Centres. All five profiled councils have taken this step. External funding does not necessarily have to be housing related as referenced in the Leeds case study.
- Speak to the local Director of Public Health who may have an active interest in how housing links to population health and health inequalities. Wirral and Bradford have received funding from this relationship.

Loans

An attractive option to recycle funds but their successful adoption needs careful consideration.

- It is for each council to decide on whether loans involve monthly repayments, or whether the local authority considers acquiring a share in the property equity.
- Capital repayment loans tend to help homeowners with modest cost schemes as the repayment must be affordable. A subsidised interest rate is usually involved.
- Equity share loans are more common for major schemes of work as it defers repayment until the applicant no longer occupies the property. Statistically, the funding is recycled quicker in cases involving older people.
- Redeeming an equity share can involve repayment of the original sum (as in Wirral), or a different amount, on a property appreciation basis (as in Bradford).
- The presumption that a repayment loan may on average be redeemed in a shorter time period than an equity share product does not appear to necessarily be the case.
- Loans have a purpose, even in councils like Eastleigh with modest resources.
- For budget planning, if referrals for mandatory DFG do not follow anticipated demand, funding can be transferred to future proof the local loan "pot".
- Older people seem interested in grants or modest value loans for energy efficiency measures that keep them warm or save money. However, larger scale investments linked to climate change are generally not affordable to low-income households in low equity homes.

Loan Administration

A vitally important decision for each local authority to make.

- The options are to administer in-house (Wirral), commission an external financial organisation (Somerset and Eastleigh) or have a consortium of local authorities with one appointed as loan administrator for all members of the Group (Bradford).
- There is likely to be a greater level of public trust if the external loan administrator is non-profit making with a social purpose (Lendology and Parity Trust).
- Whilst local authority loan administration is not subject to Financial Conduct Authority regulation it must comply with the principles of that regulatory regime. External loan administration is normally subject to Financial Conduct Authority regulation.
- There needs to be regular and effective communication between the local authority HIA and the loan administrator for governance and matters including changes in Housing Assistance Policy, to ensure best advice is provided for loan applicants.
- Loan applicants are encouraged to involve a trusted friend/ family member in conversations before a loan is approved.
- Independent financial advice is always strongly recommended but is legally required if the local authority assume a share above 30% of the equity value of the property.
- The involvement of the local authority in loan products appears to confer trust and credibility to the consumer.
- Loan products involving a monthly repayment reveal a very low incidence of missed payments and when they occur, are usually temporary. In summary, if administration is undertaken patiently having regard to affordability to the homeowner, this is a low-risk financial environment which should encourage other more mainstream financial organisations to become involved.
- How payments are provided for the contractors varies between local authorities, either a first and final payment at the end of works, or stage payments especially in larger projects or those involving several contractors.
- Local authorities can choose to offer an agency service for loan funded schemes of work with the agency fee added to the value of the loan (as in Bradford).
- Each local authority offers a varying degree of choice to the loan applicant in what works are funded. Bradford is focused on eliminating category 1 hazards whereas others offer greater flexibility as the stated aims of the Assistance Policy are more broadly framed.

Executive Summary

Combining Grants and Loans

Forms of funding do not necessarily operate in isolation.

A discretionary grant can form the foundation level to address a housing condition issue which is then topped up by a loan or the other way around. Examples include:

- A modest baseline discretionary grant that enables a capital repayment loan to become affordable to the householder (see Somerset Council and Lendology resident case study).

Partnership Arrangements with Voluntary and Community Organisations

- There is undoubtedly added value to the local authority in developing formal partnerships through commissioning, or more informal arrangements through a shared agreement on referrals.
- Voluntary and community-based organisations are generally trusted by the public.
- Charitable organisations can attract additional sources of funding that local authorities may not be able to. Formal commissioning offers potential that the funding they receive from a local authority enables match funding from other sources.
- Leeds and Somerset councils are good examples of working with third sector organisations.

Support for Self-funders

As it is highly unlikely that government will, in the short term, resurrect dedicated funding to address unsatisfactory condition homes, it seems appropriate for a local authority to consider if they can provide support for those older homeowners able to use their own funding to improve their home. Nationally, few authorities adopt this approach but two of the profiled councils do.

- Somerset provides a full agency service for a fee for homeowners wishing to self-fund home improvements. They also use some Better Care Fund money to employ OTs at two Independent Living Centres so people can see and use equipment for themselves before purchase in an informed way.
- Care & Repair Leeds can provide a full agency service for homeowners wanting to pursue a scheme of adaptations that is different than the city council consider meets assessed need. The agency also provides a full support service for a self-funder wishing to undertake works of repair or improvement. Householders can then also potentially benefit from a comprehensive information and advice service and referrals to other organisations in their network.

Housing Tenure

- Apart from mandatory DFG and some discretionary adaptation grants, private renters have limited support through most Housing Assistance Policies compared to owner occupiers, especially for loans.
- However, in the commissioning arrangement with Care & Repair Leeds, the city council have enabled private tenants to have equal access to one of the services.

Customer Feedback and Impact Evaluation

Local authorities rely heavily on customer satisfaction surveys or case studies to demonstrate the impact of their interventions. Whilst this has merit for internal audiences by providing reassurance or making a good news story, it does not have the rigour needed to persuade commissioners, especially from health and care, to invest in housing interventions as a mechanism to achieve their priorities.

Nationally, local authorities acknowledge the importance of proper impact evaluation but there are reasons why it is not conducted including:

- Inadequate knowledge of appropriate evaluation methodologies.
- Limitations on officer time.
- Sample size not being sufficiently large to enable reliable conclusions to be made.

In this study, some positive practices were identified including:

- The Somerset and Lendology partnership measure impact by either applying known housing and health research findings to their programme or using a social value approach to interventions.
- Leeds Council have adopted indicators measured before and after area renewal activities to assess impact.
- Wirral Council is developing an impact assessment to evaluate interventions provided by the Healthy Homes Service.

Introduction and Purpose of this report

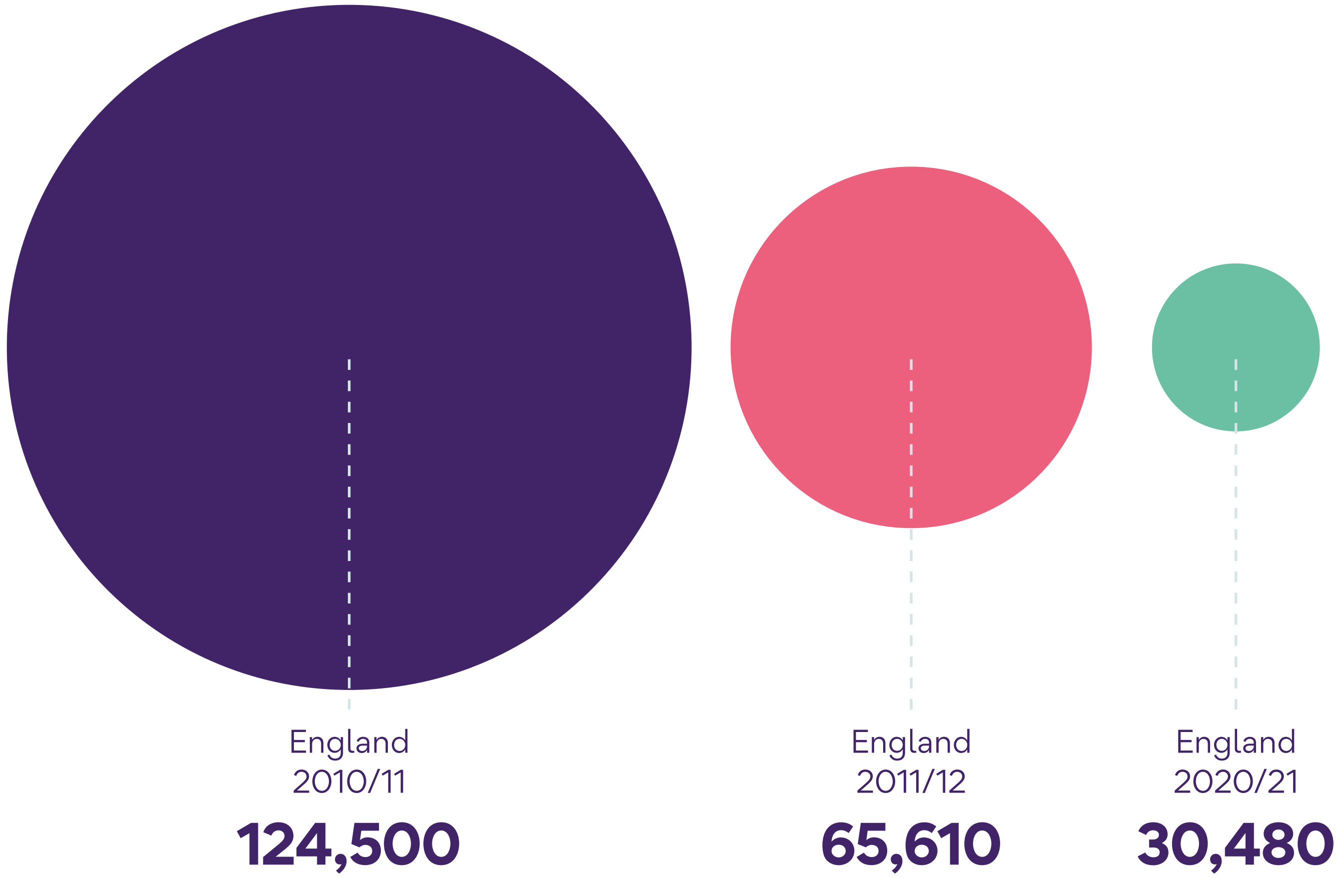
The Centre for Ageing Better commissioned Foundations to identify, through case studies, how one influential factor, namely finance, can support the ambition that all people live in a good quality home.

This report profiles the forms of financial support adopted by five local authorities in assisting older people to improve their housing conditions and/ or health issues. It includes discretionary grants, loans, area-based renewal, support for self-funding and commissioning. The five local authorities are Bradford Metropolitan District Council, Eastleigh Borough Council, Leeds City Council, Somerset Council and Wirral Council.

The funding model highlighted for each is summarised in Table 1 within the Executive Summary.

This topic area is important as funding for private sector owners in England now is less than in 2010-2011, resulting in a reduced level of grant activity (see Table 2).

Table 2: Number of grants for renovation paid to private sector owners in specific years.



Source: DLUHC (and predecessors) Local Authority Housing Statistics Open Dataset, Live table 314 and Housing and Construction Statistics

Notwithstanding this truth, the five profiled local authorities included in this report demonstrate how they remain committed to using what money they have to the best effect in assisting low-income older households.

It is hoped that this report will be especially relevant for local authorities who are considering changing the content of their local Housing Assistance Policy, perhaps to include loans for the first time for example. Contact details of key contacts are included at the end of each locality profile.

This report is a part of a broader strand of work the Centre for Ageing Better is conducting to support more people to make changes to keep their homes accessible, safe and warm.

The Centre for Ageing Better is calling for the UK government to develop a national strategy to make all homes warm and safe, with long-term funding to support local authorities across England to provide a one-stop shop service on all aspects of home repairs and adaptations. This includes support and signposting on everything from finding trusted tradespeople and identifying what work needs to be done, to how to finance repairs and improve energy efficiency.

More information about this work is available on Ageing Better's website: https://ageing-better.org.uk/improving-homes-good-home-hubs

Background

[The Good Home Inquiry] published by the Centre for Ageing Better in 2021 sets out the scale of poor condition, often cold and inaccessible homes in England.

However, it was not merely a description of the reasons that have led to the unacceptable current situation but also the very real day-to-day negative impacts on the people who live in them. It highlighted the disproportionately high number of people over 55 residing in non-decent homes and the challenges that this group of the population face, especially those on low incomes with low housing equity, who often do not have feasible options to address the issue.

It made a strong argument that doing nothing was not an option and concluded with a series of themed recommendations that could address many of the enduring challenges in this topic area if a commitment was secured from government, local authorities, private sector interests, older people plus voluntary and community groups.

The recommendations on page 11 of the Inquiry especially pertinent to this report were:

- Provide low-cost government-backed lending and grants to improve homes and work in partnership with the consumer finance sector to develop products to encourage and incentivise homeowners and landlords to improve their homes.
- Provide long-term flexible funding to local government for local delivery, including enforcement.

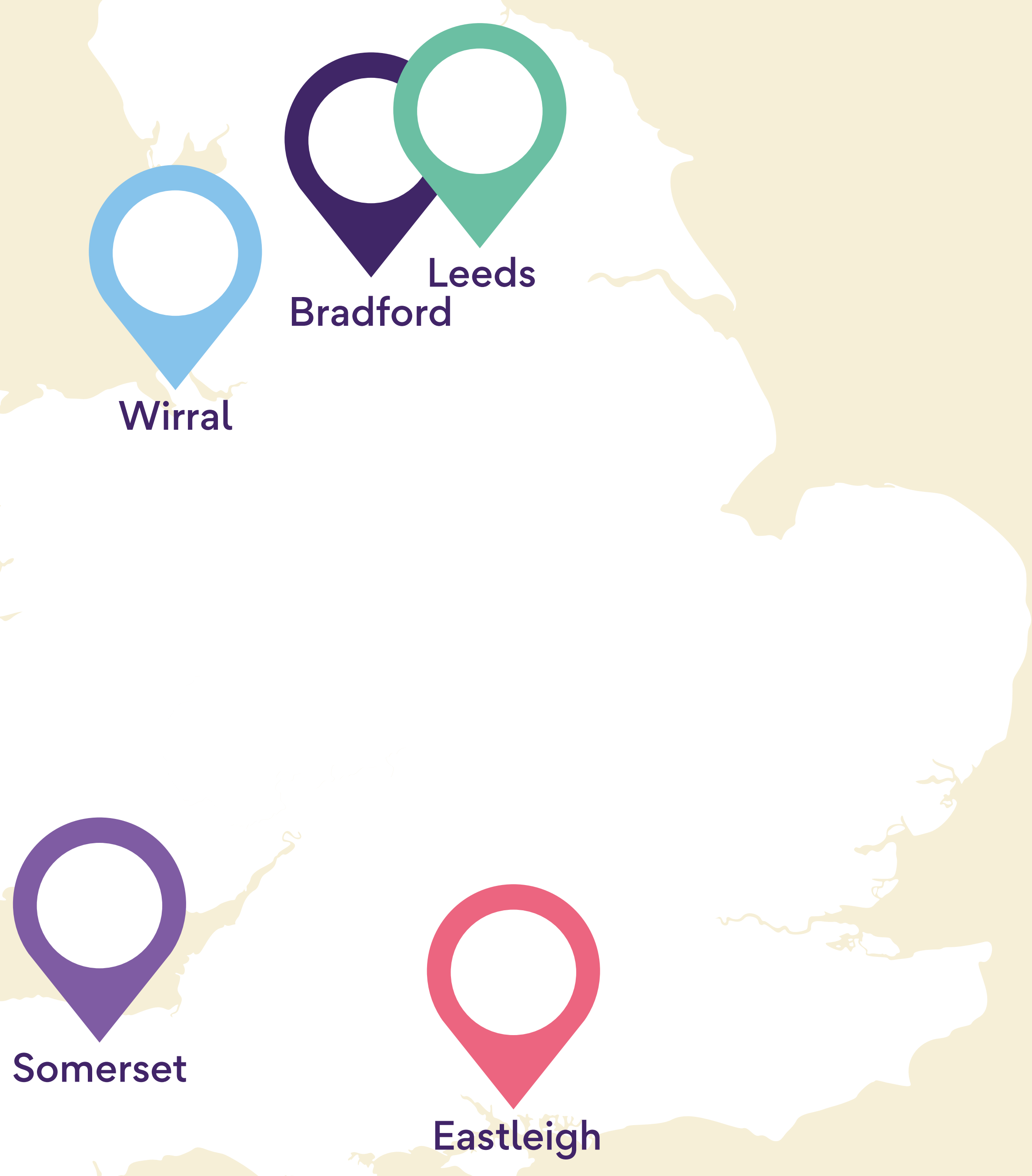
A recent publication by the Building Research Establishment (BRE) entitled "The cost of poor housing in England by tenure" (2023) calculates the scale of poor housing and the costs required to mitigate it. The figures below do not include mental health or wider societal costs.

Headline findings were:

- In 2019 one million owner occupied homes contained a Category 1 hazard which if not mitigated would cost the NHS £783m per year. The average cost to remove the hazards was £3,434 which, if all remedied at once, would enable a payback period of 7 years.
- The respective figures for the private rented sector were 619,000 properties with a Category 1 hazard, an annual cost of £290m per year to the NHS, an average remedial cost of £4,039 with a payback period of 8-9 years if all properties were improved at once.

The average costs to mitigate category 1 hazards indicate that many property deficiencies can be remedied at modest cost.

Rationale for selecting the five local authorities



Rationale for selecting the five local authorities

There was an intention from the outset to include at least one two-tier district council and one predominantly rural locality.

It is widely recognised that some of the most unsatisfactory housing stock is located in the northern regions of England, so it was anticipated that these areas would be easiest to identify. However, prior knowledge of interesting practice was supplemented by targeted mailshots to a large number of authorities plus invites during webinar events encouraging them to express an interest in participating in the study.

We take this opportunity to thank everyone who did respond, and even though most were not selected for involvement, it was reassuring to find out about the good work being undertaken by home improvement agencies across England, often with very limited financial and staff resources.

The report wishes to acknowledge that despite best endeavours by the research team, there are likely to be examples of other local authorities in England operating alternative approaches, and we would welcome contact being made with the Centre for Ageing Better if that is the case.

Information Capture Methodology

Once selected, key staff in each local authority were interviewed and then a tailored questionnaire was sent to them which requested detailed information on the content of the adopted Housing Assistance Policy, case volumes and values, partnerships with other organisations, plus any customer feedback or impact evaluation.

In addition, each local authority was asked to suggest a small number of resident case studies they considered reflected their local assistance services.

Each local resident was then sent a Participant Information Sheet about the study before the interviews were conducted. All local residents selected were very amenable to discuss their experience and appreciation of the local service that had helped them.

The stated motive of all residents involved in the conversations was that they hoped it would support the ambition of the study to encourage adoption of such services everywhere in England.

Each of the summarised conversations with residents was shared with them to secure their final consent for inclusion in this report. We thank all of them for giving their time and sharing their experience with the research team.

Finally, it was considered important to include the view of a senior local politician or manager in each local authority to describe why the local suite of services was important in helping local residents, particularly low-income homeowners.

Local Authority Profiles

Local Authority Profiles

Bradford Metropolitan District Council

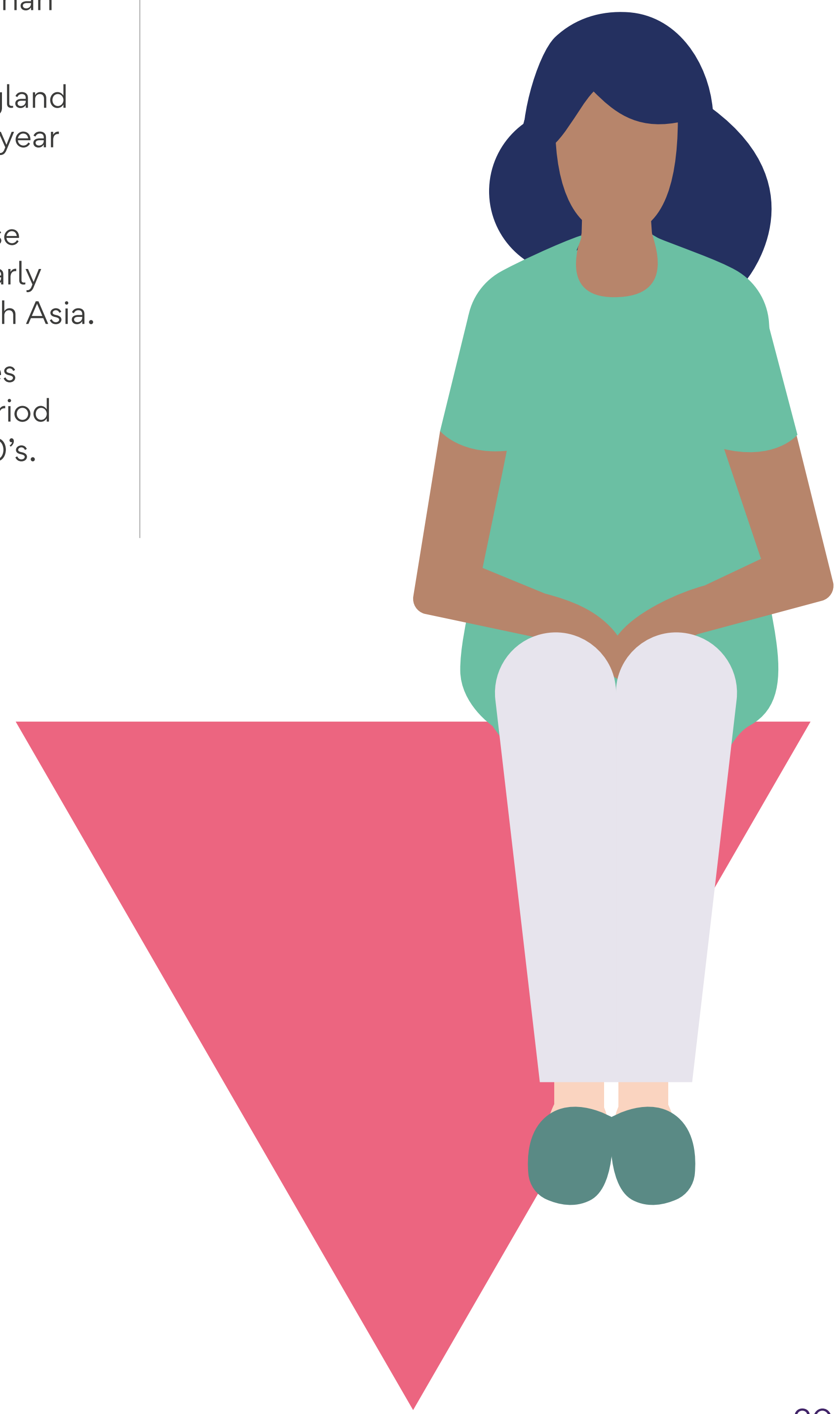
Aspect of Case Study	Description
Bradford Metropolitan District Council	– A unitary authority in West Yorkshire as a constituent part of the West Yorkshire Combined Authority and Leeds City Region areas
Funding Model	– A broad mixture of discretionary grants plus loans administered by Sheffield City Council Homes and Loans Team. Bradford supports more loan applications per year than other councils involved in the partnership scheme – Enabling role for energy efficiency works – The local Director of Public Health contributes to the revenue costs of regulatory services focused on the private rented sector
Funding Sources	– Better Care Fund and local authority Housing Capital – External schemes that improve the energy performance of the home
Partner Organisations	– Sheffield City Council administer home appreciation loans and interest free loans for several local authorities, including Bradford
Aim of Assistance Model	– To remove hazards in the home that affect the health of financially vulnerable occupiers
Population of Interest	– Low-income households with health needs or those residing in unsatisfactory housing conditions
Barriers/ Challenges	– High levels of social and economic deprivation in the local community – High proportion of housing stock over 100 years old with low energy performance
Learning	– Loan funding, when combined with grant assistance enables individual housing standards to be improved even in a low property value area – Effective communication between the local authority and the external loan administrator is vital to ensure information exchange with the householder seeking a loan is accurate and comprehensive – Dedicated staff in the local authority who have knowledge of the local housing stock and resident financial and health circumstances is vital to attract external energy efficiency funding that helps meet the council's strategic priorities

Characteristics of the Area and its Population

The local authority is located on the edge of the Pennines and is bounded by the Leeds, Calderdale, and Kirklees council areas. Outside of the Bradford city boundary, Keighley, Shipley, and Bingley are the settlements with the highest populations in the borough although two thirds of the council district is rural.

- The Census 2021 revealed a total population of 546,400 which was 4.6% higher than 2011.
- It is the 7th largest population in England but has dropped 2 places in that 10-year period.
- It is one of the most ethnically diverse boroughs in England with a particularly high proportion of people from South Asia.
- In common with other Northern cities Bradford has had to respond to a period of de-industrialisation since the 1980's. Approximately 8% of residents are economically inactive.
- 19% of the population was income deprived in 2019, the 27th highest in England.
- Bradford was rated in the bottom 10% of local authority areas for health outcomes in 2021.
- Life expectancy is below both the regional and national average.

7th largest population in England



The Housing Stock

In 2017 approximately 26% of the private sector stock was over 100 years old, often in the form of inner-city terraces occupied by low-income homeowners and, disproportionately, by private renters.

In April 2023 Land Registry records indicate that private sector terraced properties in Bradford had an average value of £139k compared to £159k across West Yorkshire and £247k across England. Modest property values can discourage householders to invest significantly in their homes as they are less likely to secure a return on investment in the short to medium term. Other features of Bradford's housing stock are:

- Category 1 hazards exist in 14% of owner-occupied homes and 21% of private rented sector properties.
- The estimated cost to remove all category hazards is calculated as £71m.
- 63% of properties are in council tax bands A and B.
- 11% of private rented sector properties are lower than EPC band E.
- Fuel poverty is experienced by 15% of owner occupiers and 28% of private renters.
- Nearly 5000 mobility impaired people live in unsuitable housing.
- It is recognised locally that housing options for older people need to be improved in the existing stock and new build.

Housing Strategy 2020-30:

Priorities include:

- Providing a wider range of homes including larger properties to address overcrowding.
- Reducing levels of disrepair in the private sector stock.
- Ensuring existing stock is accessible with specialist accommodation options for older people when the existing home is no longer suitable.

Delivery mechanisms include:

- Continue to offer Home Appreciation Loans.
- Council and partners to explore opportunities to regenerate/ remodel neighbourhoods and lobby government for regeneration and renewal funding.
- Strengthen links between housing services and health partners to improve health outcomes through housing interventions.
- Encourage developers to provide dementia friendly and wheelchair accessible homes through the Council's Design Guide which requires 10% of all new housing to be wheelchair accessible Part M (3) compliant and 90% to have level access and be adaptable to Part M (2) standard.

In respect of the quality of the private rented sector the local Director of Public Health has provided funding to meet the cost of several housing enforcement officers. There is a very active programme of licensing and enforcement in the private rented sector as this is where the worst housing conditions are experienced.

The Local Home Improvement Agency

An in-house service.

The Housing Renewal Policy

The Policy sets out the council's overall ambitions for private housing and is subject to available financial resources. Consequently, in some years not all services can be provided. In 2023/24 activity associated with area-based action was not available.

The policy seeks to strike a balance between:

- An owner's obligation to maintain their property.
- Attracting alternative private investment to supplement the budget (ECO schemes for example).
- Public funding allocated to the most financially vulnerable households living in unsatisfactory housing conditions that affect their health.

Public awareness of the support available through the policy is via the council website, targeted publicity campaigns and use of local media. Councillors are informed on local services to help them advise their constituents, and colleagues in the health and voluntary sectors receive training sessions to advise their patients/ service users or make appropriate referrals on their behalf.

The funding for discretionary grants and loans is a combined budget.

Discretionary Grants

Grants are only available if the applicant is a homeowner on a defined low income or receiving specific benefits. A financial assessment is initially made by the local authority of the applicant's circumstances to determine if they could service a commercial loan to pay for the works. If this is not possible then an equity assessment is undertaken which, if sufficient, results in the enquiry being considered for a loan and if not, then a grant may be awarded dependent on the type and cost of works required. The detailed financial assessment is carried out by Bradford Council on whether a grant or loan is most appropriate. If a loan is appropriate, a loan application is completed by Bradford Council and forwarded to Sheffield City Council who make the final recommendations on whether to approve a loan or not once full checks have been carried out at Land Registry and a Valuation has been undertaken of the property to confirm available equity.

Grant assistance is available for:

- Addressing disrepair (health and safety grants)
- Some forms of adaptations assistance including removal costs up to £5k
- Energy efficiency measures

The number of health and safety grants approved since 2019 are outlined in Table 3.

Table 3: Health and Safety Grant Approvals

Grants	2019/20	2020/21	2021/22	2022/23
Approvals	40	18	30	21
Average value	£4,750	£4,920	£4,730	£4,500

The Loan Products

Administered by Sheffield City Council – The loan scheme started in 2005 for the benefit of 21 local authorities with approx. £7.5m provided by the Regional Housing Board. This funding stream finished in 2011 but the arrangements have continued with a smaller number of local authorities who continue to contribute from their own capital resources. Bradford is the most active of the councils in the loan scheme.

The loan administration arrangements are not subject to regulation by the Financial Conduct Authority as they are operated by a local authority for a specific purpose and do not involve any interest payments.

Home Appreciation Loan

Is the more common in Bradford's programme and is limited to 70% loan to property value. An independent RICS valuer assesses the property value prior to loan approval and at the point when the loan is redeemed in order to calculate the capital sum to be repaid to the local authority. Should the property value have reduced over the term of the loan then the cost of the original unimproved value is repaid. There is no penalty for early settlement, but the local resident must pay for the property valuation, currently £188 including VAT.

The revenue cost of Sheffield Council staff administering the loan is met wholly from redeemed loans. At current volumes and patterns of redeemed loans the service is calculated to be financially sustainable until 2040/41.

The local authority always specifies the necessary works, usually to address hazards, so the applicant cannot pick and choose what they would prefer the loan to address. However, the householder can elect to:

- Select their own contractors and oversee works.
- Request the local authority to provide a full agency service, which involves a fee.

In either option the local authority pays the contractor at completion of the scheme of works or makes interim payments if the cost of works is large and there are several contractors involved.

Other features of loan products

Sheffield Homes and Loans Service do not provide Independent Financial Advice, but loan applicants are strongly encouraged to seek their own independent advice and be accompanied by a trusted family member or friend when the loan application is being discussed.

If there is a doubt on the mental capacity of the applicant to understand the terms of a loan, the loan service will ask the local authority to consider a cognitive assessment in a non-discriminatory way before proceeding with an approval.

Loan Activity

Table 4: Case volumes and values in Bradford

Year	Number of loans approved	Total value (£)	Average Value (£)
2019/20	39	917,338	23,521
2020/21	14	335,597	23,971
2021/22	21	488,130	23,244
2022/23	25	558,130	22,325
Total	**99**	**2,299,195**	**23,224**

Table 5: Age of loan applicants in Bradford

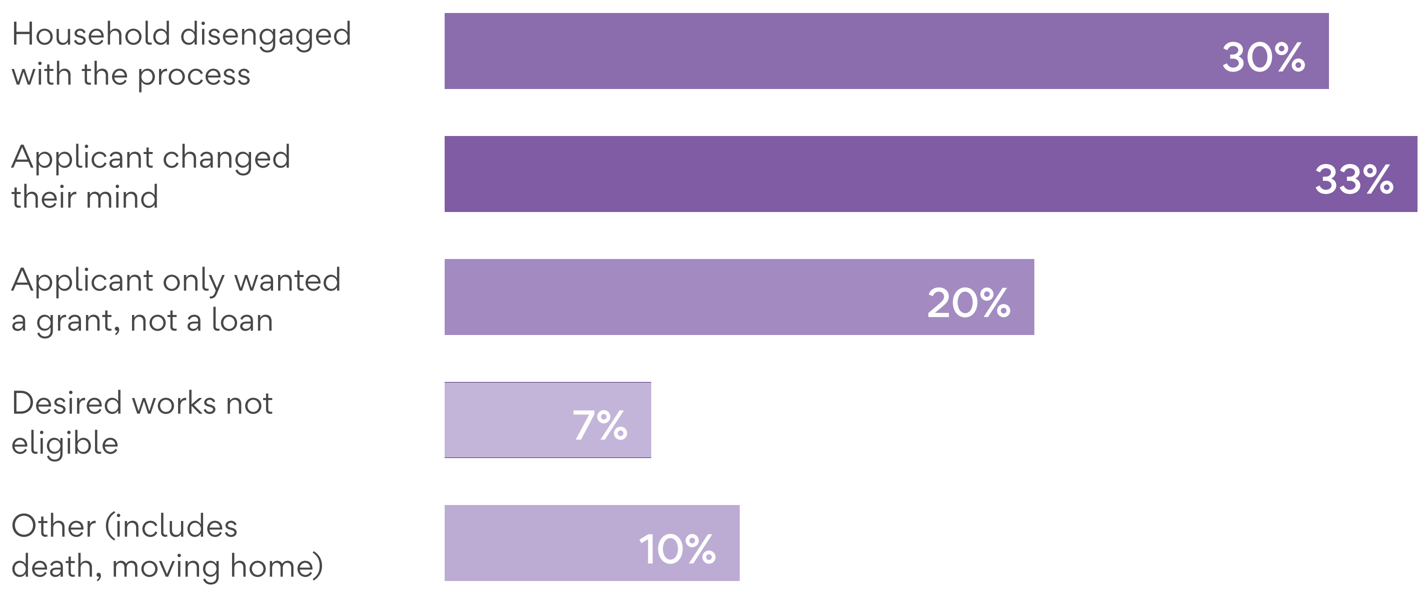
Year	18-49	50-59	60-74	75+
2019/20	13	9	14	3
2020/21	5	4	4	1
2021/22	6	4	9	2
2022/23	8	5	7	5
Total	**32**	**22**	**34**	**11**

In the same four-year period across all participating local authority areas, 196 loans were administered.

Since the scheme started in 2005 1,959 loans have been approved with a total value of £35,272,000 and 647 loans redeemed with a value of £9,007,000.

In that period the average period for redeeming the loan was 6 years and 4 months.

Not unexpectedly, enquiries for loans have a higher cancellation rate than for grants. Reasons for cancelled enquiries are:



The Sheffield Council Home and Loan service stress that there is a need for good communication with all the participating authorities who have each adopted their own approach to the circumstances when a loan will be considered.

The responsibility to promote the loan products remains with the local authority and not the loan administrator.

It is a strongly held view that the involvement of the local authority as the funding provider is viewed positively by residents as it confers trust in the product.

The local authority responds to any complaints concerning loans unless the dissatisfaction specifically relates to the loan assessment process when Sheffield Council respond.

Healthy Heat Programme

Until recently this was delivered across a broad partnership area in Yorkshire via the Better Homes Yorkshire scheme. It is being re-procured, will involve fewer local authorities than the previous scheme and have a new title.

Bradford Council does not have available funding to resource their energy and climate change ambitions at scale so instead acts as a facilitator within a partnership arrangement with specialist contractors to access external funding sources. It has a long and successful track record of operating in this manner through its dedicated Energy Team. This has included a scheme which focused on major insulation measures, specifically insulating rooms in the roof and installing underfloor heating. One of the main reasons that arrangements have been successful is that the council has worked with suitably accredited contractors to ensure there is a supply chain with sufficient capacity to commence installations as soon as funding sources are identified. Older people are known to be a major group of homeowners who have benefited from previous schemes which will probably be repeated in the forthcoming successor scheme.

Owner occupiers have been the focus of energy upgrade programmes. The Energy Team acknowledge that engagement with private landlords is desirable but has been very challenging. They have attempted to gain the interest of landlords in a variety of ways and will continue to try new approaches as the private rented sector is known to have the poorest energy performance of any tenure in the city, with high levels of fuel poverty experienced by tenants.

The new arrangements will largely use ECO4 funding for a wide range of measures over a three-year period that will meet the necessary requirement to improve the energy performance of properties by two EPC bands. This will require a mixture of intervention measures including heating upgrades and internal wall insulation.

The key role of the Energy Team is local knowledge of the housing stock and households who would be eligible for the assistance. A rolling programme of area declaration is coupled with promotional information from contractors which has the council logo on it. This approach is known to confer authenticity and credibility to homeowners. The measures will be free to eligible households on specific benefits or with total household income below a threshold figure. Previous experience has demonstrated that once the first few homes participate, there is word of mouth recommendation in the immediate area, which increases uptake. The Energy Team retain the responsibility to release the funding once works have been signed off as completed satisfactorily.

Whilst ECO4 will be the main funding source in the next three years, the Energy Team is very receptive to working on other projects including small scale demonstration projects that have the potential to be scaled up.

Supportive Statement: Councillor Alex Ross-Shaw – lead member for the portfolio of Regeneration, Planning & Transport said:

“The Council is working very hard to make sure people living in homes that need improving can access help and improve the health of their family. Over a quarter of the housing stock in the district was built pre 1919 and a lot of the owner-occupied housing in the district is of a poor quality, with many of these households on low incomes. The district also has an increasing number of older people aged 65 and over and this group is expected to grow in future, adding pressure for housing which is suitable for an ageing population.

Having a good quality, warm and safe home is an essential prerequisite of wellbeing and good health so one of the Council’s key priority outcomes is decent homes; we want everyone to have a comfortable home which meets their needs and helps them lead fulfilling lives. The Council’s Comprehensive Housing Renewal Policy seeks to address essential repairs and improvements to vulnerable homeowners’ properties through the provision of grants or loans with the support of the Council’s own capital funding. The Council’s Home Appreciation Loan allows older people who may be ‘asset rich/ cash poor’ to access equity within their own homes, without the need for monthly repayments.

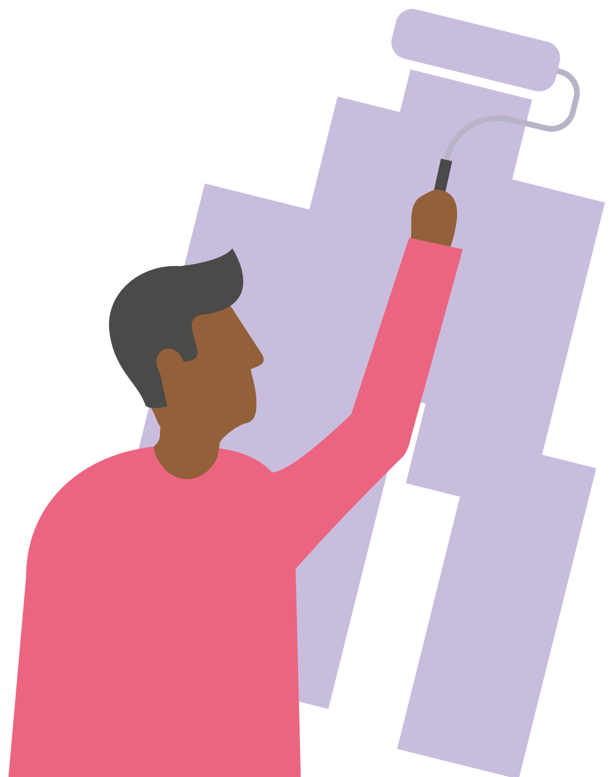
The Council is proud to have been able to make funding available so that homeowners can make improvements and improve their quality of life.”

Key Contact:

David North
Housing Assistance and policy
David.North@bradford.gov.uk

Pete Betts
Energy Efficiency
BEEnergy@bradford.gov.uk

Denise Devoto or Dene Malkin
Loan administration
homesandloans@sheffield.gov.uk



Loan Case Study

Diallo and Hazel

Single-storey two-bedroom former miner cottage built in the mid-nineteenth century

In their 60's

Background

Diallo and Hazel are a couple in their 60's who moved in 2017 into a single-storey two-bedroom former miner cottage built in the mid-nineteenth century. They wanted to downsize and free up capital so that they no longer had a mortgage. Diallo, who has some health issues, gave up work to become a carer for Hazel, who has limited mobility and a number of medical conditions, including COPD. Initially their son who is disabled also lived with them.

Property Issues

A few months after moving into the property, damp and mould started to appear in many places. They tried to use specialist products to control the problem, but nothing worked effectively as the mould would return very quickly. It was especially noticeable in their son's bedroom, so he eventually moved out. By that time there was mould on the walls and ceilings in every room, the floors were rotting, and clothing and furniture had been ruined.

This made Diallo and Hazel very worried about their health. They did not know how to fix the damp and mould and no longer had any major income or savings to pay for any necessary building work. They described that time as "totally demoralising" because the property that they intended to be their final home was now "a nightmare". They did not want to stay in the house but knew its poor condition meant they would not be able to sell it for the price they would need to buy somewhere else.

Finding Help

After several years of trying to cope with the deteriorating conditions, Hazel remembered reading about local authorities providing financial assistance to older people. They contacted Bradford Council who explained how their appreciation loan product worked.

As they did not intend to move home again, they felt not needing to make any monthly payments and having the loan repaid after they died or needed residential care was an ideal solution.

They experienced finding contractors difficult, but the local authority did assist in this stage of the process. The building works involved roof repairs, a damp proof course, a new kitchen and bathroom, rewiring, new floors, a new boiler, extensive replastering, an access ramp and removing trip hazards in the garden. The final cost was over £50,000, including the cost of the council's agency service. As the building works were so extensive, they could not stay in the house while works were being completed, but also could not afford to live elsewhere. Consequently, Diallo bought an old caravan for £100, parked it on the driveway and they lived in it for several months. During this time, one of the council's housing team was always available when inevitable hiccups occurred. Diallo and Hazel described having "total confidence" in him and "doubt they could have managed without his support".

The Impact

Diallo and Hazel felt that they were returning to a brand-new home when the building work was completed. The property is warm and, most importantly, there is no sign of any damp and mould in their home. They can invite friends and family to visit them again without "feeling shame or making excuses". They described how their health has improved both physically and mentally and they are now able to "look forward to the future in a positive way" living in a property that can remain their home for many years.

Eastleigh Borough Council

Aspect of Case Study	Description
Eastleigh Borough Council	– A two-tier local authority in Hampshire
Funding Model	– A mixture of discretionary grants and loans
Funding Sources	– Better Care Fund for discretionary grants – Housing capital receipts provided the set-up capital in 2014/15 for Parity Trust to administer low-cost loans on behalf of the local authority
Partnership Organisation	– Parity Trust administer loans for 16 local authorities, with Eastleigh Borough Council currently accessing the loan products most frequently amongst this group of councils – A local credit union for very low-cost assistance – The Environment Centre in Southampton advise on free or part-funding for energy efficiency works
Aim of Assistance Model	– Provision of several types of loan products for households who are not able to fully self-fund from income/ savings or access mainstream lenders
Population of Interest	– Older and disabled people
Barriers/ Challenges	– Relatively limited financial resources available to the local authority – Maintaining support for older homeowners when providing new affordable homes in an area of high demand and high property values is the biggest housing challenge
Learning	– Loan funding, when used flexibly, enables individual needs to be addressed – Operating loan assistance as one of several councils with limited budgets through a third-party financial organisation allows access to the necessary expertise relevant for Financial Conduct Authority regulation without a requirement to establish a service within the local authority

Characteristics of the Area and its Population

The Eastleigh council area adjoins the eastern edge of Southampton and is a constituent part of the Southampton Housing Market Area. Eastleigh is the main population centre in the borough. Between 2011 and 2021 the number of people over 65 increased by 28.2% compared to the national average of 20.1%. The level of income deprived households is relatively low at 6.6% with affected individuals widely dispersed and sometimes difficult to identify.

The Local Home Improvement Agency

A local authority in-house agency service.

28.2%

Between 2011 and 2021 the number of people over 65 increased by 28.2% compared to the national average of 20.1%

The Local Housing Assistance Policy

The Policy seeks to support two priorities within Eastleigh Council's Corporate Plan 2023-26 relating to addressing health inequalities and creating homes and communities.

Property condition and the effect on the occupant's health is the main driver for allocating discretionary grant funding with eligibility for this assistance dependent on the financial circumstances of the household.

Discretionary grant is used for:

- DFG Top Up – maximum £5k
- Cases involving palliative health needs – maximum £5k
- 50% of temporary accommodation costs to enable mandatory DFG work to be undertaken, maximum £3k
- Relocation to a more adaptable property – maximum £3k to help cover professional fees

If the funding required by a household is less than £300, they are referred to a local credit union for advice, information, and access to responsible financial services.

In common with many other two-tier district councils the overall size of the capital programme is modest and heavily responsive to the demand for mandatory DFG. Access to a discretionary grant is only considered when alternative options are deemed not to be affordable to the household. These alternative options include use of personal savings, charitable sources, mainstream lenders, plus Parity Trust advising that the household cannot meet the criteria for any form of their low-cost loan products. Consequently, the number of discretionary grants issued per year is limited but nonetheless valuable for the cases involved. The ability to offer a loan separate to, or in addition to, a discretionary grant is therefore a valuable option to help meet a household's assessed needs.

Table 6: Discretionary Grant Activity in Eastleigh

Year	Total number	Average value
2019/20	6	£4,652
2020/21	9	£4,056
2021/22	8	£4,667
2022/23	8	£5,305

The main use of discretionary assistance in each year is for DFG Top Up (usually for cases involving disabled children most often in the social housing sector) and to support people in palliative circumstances.

Loans

The local Financial Assistance Policy includes provision of loans for the following purposes:

- Addressing disrepair
- Top up to mandatory grant – for those who can afford a loan
- Energy efficiency measures
- Discretionary types of adaptations

The client can exercise their choice on which contractor undertakes the work but if they are not confident in making that choice the local authority will provide a list of suitable contractors to help them.

Loans are administered by the Parity Trust which is a non-profit organisation regulated by the Financial Conduct Authority. The Group is comprised of three legal entities for which Parity Trust Ltd is regulated for all its mortgage activities.

It commenced working with a small group of local authorities in 2005 to develop a secured home improvement loan scheme. The first loans were approved in 2006/07 and at that time benefited from a funding allocation by the Regional Housing Board. The partnership area now involves 16 local authorities located in Hampshire, Surrey, and Sussex. Only one of these is a unitary authority and most have modest DFG budgets. The Housing Assistance Policies vary between the participating councils as does the resultant level of loan activity.

Parity Trust reports from conversations with loan applicants that having a partnership with a local authority confers public confidence and trust in the financial products available and results in a very low cancellation rate at the point of confirming a loan is available. This is important as the loan contract is between the client and Parity Trust.

The local authorities provide the bulk of the required funding with Parity Trust receiving payment by a combination of:

- An annual management fee
- A loan interest subsidy paid on completion of the loan application
- Interest on the loan funding pending it being released

Types of Loan Products and Interest Rates

The four types of secured loans are only available for owner occupiers.

- Capital and interest repayment – 6.49%
- Interest only – 6.49%
- Interest roll-up – 5.49%
- Shared Equity

Specific features of the loan include:

- Interest rates are fixed for the life of the term to avoid financially vulnerable people being exposed to market volatility. Since 2006/07 there has only been one change in interest rate for new customers.
- Generally, the value of an available Parity Loan product, when added to other existing household mortgage commitments and unsecured debt, should not exceed 75% of the value of the property.
- Grant repayment periods for loans involving monthly payments are generally up to 15 years whereas the interest roll-up and shared equity products can be up to 25 years dependent on circumstances.
- There is not any penalty for overpayments or early settlement.
- As Parity Trust can raise money through the financial market, they can provide loan products in addition to those available through the local authority partnership. This can be helpful for local residents who need a loan for works not eligible within the local assistance policy or for residents living outside the partnership area who might want a loan from a non-profit financial organisation.

Loan Volumes, Values and Redemption periods

Table 7: Loan Activity in Eastleigh 2019/20-2022/23

Number of loans approved	Total value	Average value
17	£197,913	£11,642

Table 8: Loan Activity across total Partnership Area (16 local authorities)

Number of loans approved	Total value	Average value
71	£645,645	£9,094

The average redemption period is between 7-10 years.

There have been very few examples of missed payments since the scheme started so the operation is not high-risk.

The most popular types of work involve door and windows, roof repair, kitchen and/ or bathroom improvement. For cases involving heating, insulation, or renewables there is a check to determine if some, or all, of the cost could be met from alternative ECO schemes operating in the area. The loan can be used to top up the ECO funding. This information is primarily obtained through the Environment Centre in Southampton whose services cover the Hampshire area.

Increasingly in recent years the clients referred by local authorities cannot afford to make monthly payments, so interest roll-up and shared equity products have become the most common loan types approved in the partnership arrangements.

Customer Feedback and Impact Evaluation

Whilst it is recognised as a desirable feature of discretionary grant and loan assistance schemes the numbers of cases per year are not considered large enough to be able to robustly identify feedback and impacts in a meaningful way.

However, customer surveys indicate after completion of works that satisfaction levels are high for all DFGs, a proportion of which would be those with a discretionary grant or loan component. 86% of respondents strongly agreed or agreed their quality of life had improved and their independence had been increased since works were completed and 91% reported being very satisfied or satisfied with their overall experience of the Council service.

Key Contact:

Elizabeth Hawkins
HIA service feedback
dfg@eastleigh.gov.uk

Nick Webb
nick.webb@paritytrust.org.uk

Supportive Statements

Councillor Paul Bicknell, Cabinet Member for Regeneration (North) and Social Policy said:

"This is a vital scheme that really helps older people by enabling them to make practical modifications or repairs to their home so they can remain in their home. This is far better than having to move homes or unnecessarily having to move into a care home. Allowing older people to live safely in their own home and community not only benefits their physical health but also their mental health and overall wellbeing. The partnership that Eastleigh Borough Council and other councils have with the Parity Trust is making a real positive difference to people's lives for the longer term".

Leeds City Council

Aspect of Case Study	Description
Leeds City Council	– A unitary authority in West Yorkshire as a constituent part of the West Yorkshire Combined Authority and Leeds City Region areas
Funding Model	– Area-based action – Commissioning Care & Repair Leeds for specific services – Support for self-funders
Funding Sources	– A variety of external sources match funded by match funding from Leeds City Council, private and social landlords for area-based energy efficiency and renewal activities – Better Care Fund for discretionary grants and loans – Better Care Fund for commissioning external agency services – Self-funders for adaptations and repair schemes
Partnership Organisation	– Energy funders – Contractors for energy efficiency led renewal programme – Care & Repair Leeds
Aim of Assistance Model	– An energy efficiency led area-based programme targeted at terraces in specific wards with the highest levels of deprivation to improve property condition and other indicators of health and wellbeing – Independent agency services for improving health at home, energy efficiency, adaptations, falls prevention, repairs plus separate support for self-funders
Population of Interest	– Low-income households plus older and disabled people
Barriers/ Challenges	– Dependency on external funding for energy efficiency
Learning	– A proven track record of success in area-based energy led renewal increases the likelihood of property owners signing up to participate in the rolling programme of scheme declaration – Commissioning services in the third sector to support vulnerable household groups, often with low-cost interventions provides successful health and housing outcomes – Having a trusted not for profit voluntary sector provider to support self-funders provides positive outcomes for vulnerable older homeowners at little or no cost to the local authority

Characteristics of the Area and its Population

Leeds is the local authority with the second highest population in England. Between 2011 and 2021 the population increased by 8.8% which is a greater change than the average in England and within the Yorkshire and Humberside region. The increase in the over 65 population was 15.7%, higher than the 15-64 age group. Whilst the economy is buoyant compared to other areas in the region, 14.3% of the population are deemed to be income deprived and there is a large internal disparity between areas of the city for income and health status.

The Housing Stock

In 2021 there were 362,780 dwellings in Leeds. This figure includes 19,500 pre-1919 back-to-back houses which present major housing challenges in respect of their size, internal arrangement, and condition. Over 39% of the stock is in Council Tax Band A (compared to the national average of 24%) which reflects the high proportion of terraced properties in the city. Property equity varies greatly across the city but the average price of a terraced property in March 2022 was £170k which was significantly less than the national average at that time.

14.3%

Of the population are deemed to be income deprived and there is a large internal disparity between areas of the city for income and health status

8.8%

Between 2011 and 2021 the population increased by 8.8% which is a greater change than the average in England and within the Yorkshire and Humberside region

In 2021 there were 362,780 dwellings

The Local Home Improvement Agency

A blend of an in-house agency with some services commissioned through Care & Repair Leeds.

Leeds Private Sector Housing Assistance Policy

In the policy, emphasis is placed on maintaining independence, property condition and affordability which reflects drivers informing corporate documents including Council Vision for Leeds 2011-30 and the city's Best Council Plan 2020-25 in addition to the Housing Strategy 2022-27. Forms of assistance include:

- Discretionary adaptations
- Palliative care
- Repairs to specialist equipment
- Care & Repair services
- Private sector housing conditions
- Domestic abuse
- Area-based action
- Energy efficiency
- Two separate funding sources for secured and unsecured loans – one through Sheffield Homes and Loans service (see Bradford case for detail) and the other a legacy loan fund from previous renewal programmes.

This locality profile will specifically focus on area-based action and the partnership with Care & Repair Leeds plus a separate service the independent agency has available for self-funders.

Area-based renewal

The local authority has had a long track record of successfully delivering area-based renewal activities which continued until 2011 when most funding streams ended. However, as many properties in Leeds remained in poor condition, especially in areas of significant deprivation, an alternative approach was developed. This relied on competitive bidding for, and then assembling, several external sources of funding, often linked to wider regeneration issues such as job generation, poverty, stable communities, green economy, and community safety. City Council funding sources then match funded and stretched the available budget.

Mapping of multiple deprivation indicators in the city's Super Output Areas identified those in the worst 1% in England. These became the geographical focus for energy led regeneration in terraces of older properties that sometimes consisted of all housing tenures. The "enveloping" scheme included new roofs, windows, doors, and energy efficiency measures including roof and external wall insulation. Private landlords needed to pay 25% of the cost. Most low-income homeowners received the improvements for zero cost although they had to be willing to sign a future occupation certificate for 5 years to avoid repayment of the assistance. Items outside the scope of the specification such as new central heating or disrepair could be met by separate low-cost loan funds or grants available in Leeds.

Holbeck, as the targeted area, was at the time of the scheme's launch characterised by mainly older long-term residents and young people who tended to remain for limited periods of time in the private rented sector. The city council wanted to improve the stock and stabilise the community.

Average unit costs for the mixed funding energy efficiency scheme were approximately £25k. As the properties themselves had low equity value of between £80 – £100K it was unlikely that the property owners would have self-funded these necessary improvements independently of the scheme, especially as they were low-income households.

The funding support was complemented by an active programme of property inspection and enforcement of standards in the private rented sector, including successfully returning empty properties into use.

The success of the early area-based schemes as a rolling programme of terraces has led to a situation where only limited promotion of schemes is now required to secure the participation of property owners, including private landlords. In addition, having sufficient contractor capacity in place results in new schemes being able to commence quickly to achieve spending targets.

It is considered that being a local authority in a combined authority area and city region means that the necessary expertise in identifying external funding sources is more likely to exist in cities than in smaller council areas.

Local Authority Profiles

Care & Repair Leeds

Care & Repair Leeds is a not-for-profit independent home improvement agency with charitable status who have existed for over 30 years.

Funding is received from several sources including departments in the city council (Housing, Social Care, Public Health) and the Integrated Care Board and Leeds Community Healthcare.

The city council commission their "Home Plus" services at no cost to the service user which include:

- Falls prevention service which includes free measures and minor adaptations
- Hazard repairs for people on means tested benefit
- Warmth and energy efficiency for people with a household income of less than £30,000 and savings under £16,000
- Free advice, information, and support

The categories of assistance are:

- Heating and Energy Efficiency
- Falls Prevention
- Hazard Repairs

Heating and Energy Efficiency

For homeowners over 65 or experiencing disability or long-term health condition. The household must have an annual income less than £30k and savings less than £16k. In addition to negotiating debt repayment plans and providing energy switching advice, the available measures include:

- Servicing and repairs of heating appliances
- Gas safety checks
- Carbon monoxide detectors
- Emergency heaters and winter warmth packs
- Reflective radiator panels
- Draught proofing

The commissioned service has links to the Place Based Fuel Poverty Scheme to provide more convenient and less expensive means of cooking and heating for households on the cusp of experiencing fuel poverty. A support worker will assess the home and recommend alternative measures including slow cookers, air fryers, microwaves, electric blankets and foot warmers. The agency also works extensively with the Green Doctor service run by Groundwork UK for very detailed advice on reducing energy and utility bills, accessing grants, and providing minor repairs to retain heat.

Falls Prevention

Measures at no cost to any individual over 18 to prevent falls, reduce the risk of repeat falls, or help those who have been discharged from hospital include:

- Minor adaptations such as rails (including colour contrasting items)
- Moving furniture for safe mobility
- Fixing metal strips on loose stair carpet
- Moving electrical sockets to remove the risk of trailing leads
- Falls equipment

Referrals are also made to community falls services including strength and balance classes.

Hazard Repairs

For homeowners over 60 in receipt of council tax benefit or under 60 in receipt of council tax benefit and specific disability benefits. The scheme is designed to provide essential plumbing, electrical or joinery works up to £150 in value limited to one job per year per household.

Local Authority Profiles

Impact

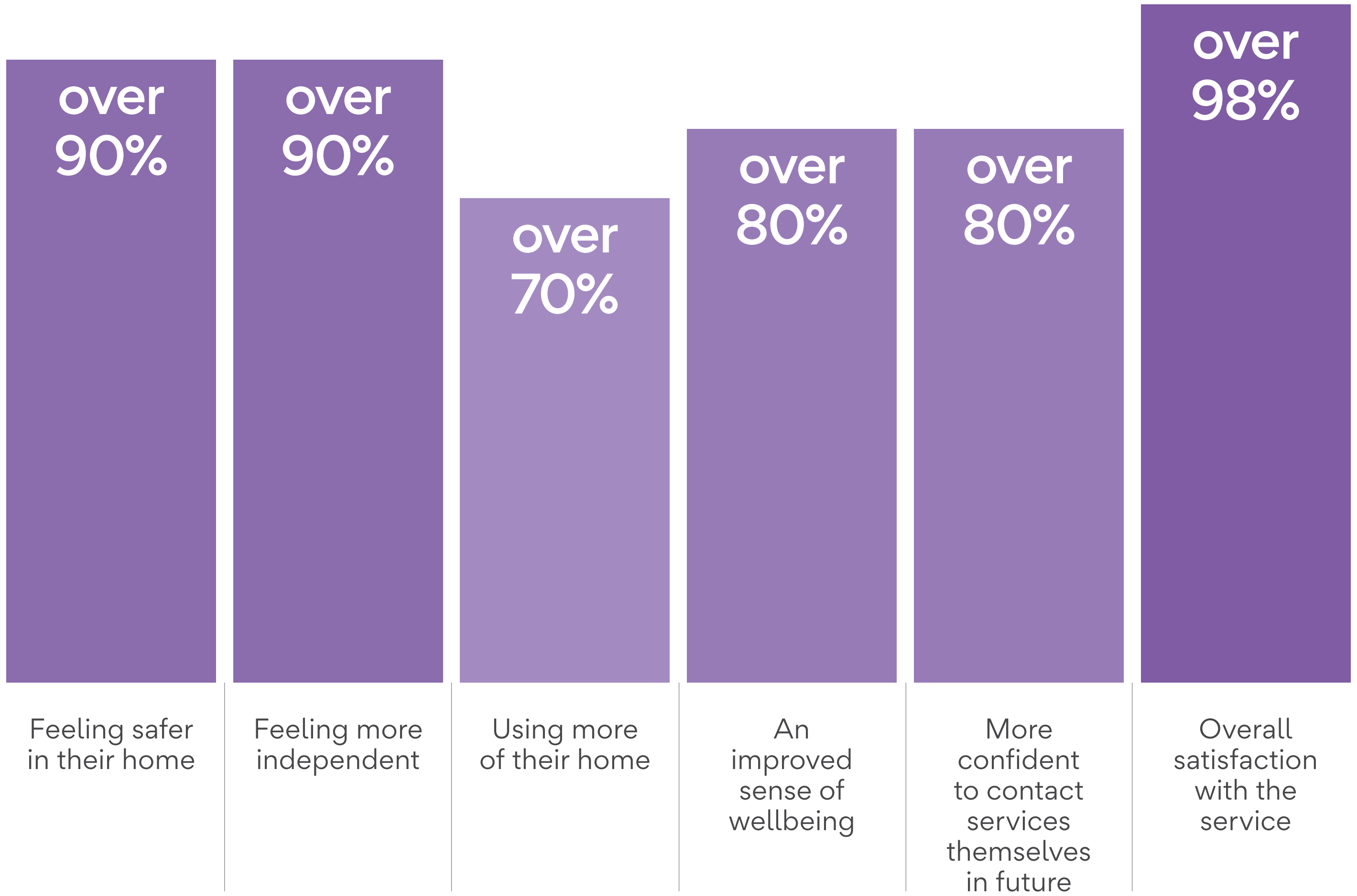
For commissioned services there are Key Performance Indicators (with the scale of activity shown between October 2022 – March 2023) relating to:

- Number of people assisted to return home from hospital (443 assisted)
- Number of households assisted to reduce fuel poverty (613 assisted)
- Number of households with at least one cold related condition assisted with heating interventions (141 assisted)
- Number of people assisted to reduce falls risk (1654 assisted)

Service users are all sent questionnaires once work has been completed with return rate of approximately 30%.

Client outcomes

- Feeling safer in their home – over 90%
- Feeling more independent in their home – over 90%
- Using more of their home – over 70%
- An improved sense of wellbeing – over 80%
- More confident to contact services themselves in future – over 80%
- Overall satisfaction with the service – average 98%



Other Agency Services

In addition to assistance provided through Home Plus, Care & Repair Leeds also operate a Technical Team who in some circumstances can offer a full agency service involving a fee for disabled adaptations or home repair and improvements.

For example, if the householder wishes to pursue adaptations (or repairs) which are different to the one proposed by the city council through the grant process, referrals are made to Care & Repair Leeds to offer a full agency service to support the grant applicant. For adaptations, the alternative scheme must meet needs as equally as well as the one that the city council proposed to attract any DFG funding as part funding for the revised scheme.

Alternatively, some disabled people may not be eligible for any DFG funding or choose not to apply for a grant to adapt their home. If they have the necessary financial resources, they may still need help to design a scheme, select and oversee contractors and sign off work as satisfactory. Care & Repair Leeds can offer this service which does involve a fee.

Supporting self-funders is an important but not commonly provided service across England. It does help older people in particular, to retain their independence, ensure their home is safe and warm but at no cost to local authorities who are experiencing major funding pressures.

Local authorities who support not for profit independent home improvement agencies like Care & Repair Leeds also have the added value of their residents accessing other services through the referral network of voluntary and community sector organisations operating in their area.

Key Contact:

Mark Ireland
Area-based action or PRS Housing
PRS.Housing@leeds.gov.uk

Helen Beioley
Care & Repair Leeds
helen.beioley@care-repair-leeds.org.uk

Somerset Council

Aspect of Case Study	Description
Somerset Council	– Unitary authority in the Southwest region established on 1 April 2023
Funding Model	– Discretionary grants – Loans administered by Lendology – Support for self-funders
Funding Sources	– The housing adaptations and social care components of the Better Care Fund
Partnership Organisation	– Lendology administer several loan types to reflect the housing assistance policy priorities – The Centre for Sustainable Energy (CSE) are commissioned to advise and assist residents to improve the energy performance of their homes – Bridgwater Credit Union for financially responsible advice, information and saving products – A network of community-based organisations with agreed referral processes
Aim of Assistance Model	– Prevention-based interventions to achieve positive health and care outcomes – Improving property condition
Population of Interest	– Financially vulnerable households and those with significant health and care needs
Barriers/ Challenges	– Ensuring sufficient capital resources are available – An ageing population with increasing levels of associated health and care needs – Working across a wide rural area – Maintaining service continuity at a time of organisational change
Learning	– The over 50 age group receive the majority of discretionary grant and loan assistance – A good working relationship with an external loan administrator is essential to effective delivery of individually tailored funding solutions – Evaluating the impact of funding interventions is crucial for future commissioning – An HIA commissioned by Social Care influences the content and emphasis of an adopted Housing Assistance Policy – The importance of raising awareness of services among the community in a new local authority

A unitary authority established on 1 April 2023 as a successor organisation created by merging Somerset County Council and four district councils of Somerset West and Taunton, Mendip, Sedgemoor, and South Somerset. The area also includes part of the Exmoor National Park.

Characteristics of the Area and its Population

- Predominantly rural with several market towns.
- Unemployment is low but most existing employment has modest salary levels, creating issues of housing affordability.
- Higher than national average increase in age group over 65 between the Census in 2011 and 2021 with 61% increase predicted between 2018-2039.
- A life expectancy difference of 5.5 years for men and 4 years for women when comparing the highest and lowest areas of deprivation.
- Frailty occurs 10 years earlier for people in the lowest third of the population based on wealth.
- One in seven people over 65 live on their own and 81% of this group have a long-term health problem or a disability.

1 in 7

people over 65 live on their own and 81% of this group have a long-term health problem or a disability

The Local Housing Stock

- The stock condition is declining, especially in the market towns where there is a high proportion of Victorian and pre-World War 2 housing.
- One in six properties has a category 1 hazard, above the national average.
- One in three households do not have gas central heating, rising to 1 in 2 households in West Somerset.

The Local Home Improvement Agency – an in-house agency.

Somerset Independence Plus (SIP) is based in Community Services but commissioned by Social Care. It operated prior to April 2023 serving the County Council and four district councils, each District having their own housing assistance policy.

To improve public awareness of their services, SIP have their own website in addition to the local authority website. There is also content on partner websites such as the Centre for Sustainable Energy (CSE) and Lendology. Regular forums (coffee mornings) are held with the Community Council for Somerset (Village Agents) and GP's. SIP also attend partner team meetings, workshops, and participate in task and finish groups, as well as promote their work in the SIP newsletter, Council Intranet and in partners' internal communications. This engagement seeks to enhance knowledge of SIP services for practitioners and community organisations to facilitate informed and effective referrals.

The local Housing Assistance Policy

There has been a conscious decision in the change process leading up to the implementation of the new local authority that the content of the assistance policy will align with several corporate documents including Somerset's Health and Wellbeing Strategy, the Somerset ICS prevention focused Health and Care Strategy, Housing Strategy, Climate Change Strategy and Better Care Fund Plan.

The focus of discretionary services is to both improve housing condition and prevent, reduce, or delay the necessity for more expensive and enduring health and social care interventions. It aims to provide services tailored to an individual's circumstances. Some of the services are open to owner occupiers and renters. Services now include adaptations, advice and information, energy efficiency, repairs and improvements, loans, relocation, hospital discharge and preventing readmission, de-cluttering, home safety checks, Assistive Technology, signposting to partnership organisations plus Independent Living Centres for options on remaining independent.

For some residents experiencing financial challenges, SIP make referrals to the Bridgwater Credit Union, which covers a part of the local authority area, to enable them to benefit from advice and responsible financial services.

Table 9: Discretionary Grant Activity – combined for all grant types

Year	No. Approvals	Average value	Recipients over 60 years
2019/20	125	£1k	75%
2020/21	175	£1.5k	80%
2021/22	299	£2k	85%
2022/23	671	£2.5k	80%

The time period in the table relates to when SIP provided services across four district councils, each with their own assistance policy.

Support for self-funders

In addition to discretionary grants, self-funders can use SIP's costed agency service if staff resources permit, approximately 30 per year. This means that home improvements or adaptations can be arranged for those homeowners who lack the confidence and knowledge to independently design a credible scheme and oversee contractors for their quality of work.

There are also two Somerset Independent Living Centres managed and operated by Adult Social Care staff which enable residents, at no charge, to physically see and use equipment and adaptations in a showroom setting. The Better Care Fund has been used to help meet the costs of 4 specialist Housing Occupational Therapy staff who can give personalised advice on options to remain independent and safe in the home environment. Adapted kitchen and bathrooms are available, and people can visit on a drop-in or appointment basis. This will enable a proportion of visitors to have the knowledge and confidence to purchase their own equipment.

Loans

Lendology Community Interest Company (CIC) is a social enterprise lender and have since 2005 been exclusively administering loans using council funding. Its original purpose was to assist homeowners excluded from mainstream lenders. They are subject to full Financial Conduct Authority Regulation.

Lendology operate in partnership with 15 local authorities including Somerset Council, all in the Southwest region. The origins of the scheme go back to capital funding provided by the former regional government administration as an innovation project to support a move away from purely grant-based assistance to a mix of grant and loan that better reflects the ambition of the Regulatory Reform Order. Since that time the number of participating authorities has grown. Each local authority must supplement their ring-fenced pot administered by Lendology, but there is also a one-off initial set up fee to be met by local authorities on joining the partnership.

Lendology arrange loans for households not eligible for grants for the following purposes:

- Homeowner Loans for essential repairs, removal of category 1 hazards, meeting the Decent Home Standard, energy efficiency including renewable options (for on and off-grid locations)
- Bringing Empty Properties back into use
- Defects to park homes, caravans, and houseboats
- Top Up as an alternative to DFG
- Safety issues in the home
- Purchase of mobile homes on permanent residential sites

The types and features of loans available

- Capital and interest repayment
- Interest only
- Interest roll-up deferred repayment
- Deferred capital payment

Irrespective of an individual's credit history all loans have a fixed 4% interest rate determined by the local authority partners, and this forms the basis from which Lendology's costs are partly met (a significant remainder of their revenue costs are met by interest on the capital loan fund yet to be allocated). Each client pays this same interest rate irrespective of loan amount, repayment period, loan type or household circumstances.

All loan products are only available for homeowners, with a significant proportion of loans being approved for people over 50. Older tenants in the private rented sector may also benefit indirectly if they occupy properties where their landlord successfully applies for loan products listed in the assistance policy, but the size of this group of older tenants is unknown.

The most popular product and purpose is the capital and interest repayment loan to address disrepair with a loan period of up to 15 years which can accommodate ad-hoc overpayments and no early settlement charges.

For capital repayment and interest only loans since 2005, there have not been any examples of property repossession and less than 20 monthly payment defaults at any one time, often temporary in nature. When placed in the context of the scale of the loan programme (see Tables 10-12) this represents a low-risk venture.

Other Features of Loan Administration

- No aggressive marketing or selling of products.
- A loan applicant is always asked if they would like to have a family member, or other trusted person, to be involved in discussions as failure to do so could increase the reputational risk for the organisation.
- All loan applicants are advised to seek independent financial advice before taking on a loan.
- Conversations with homeowners can be conducted online or face to face.
- In 2021, 24% of borrowers knew rates were higher elsewhere and 6% had previously had an application declined.
- Lendology's report from 2021 covering all 15 councils revealed that 67% of loan applicants valued Lendology's relationship with the local authority as conferring credibility, confidence, and trust in the loan products. This is important as the loan agreement is between the householder and Lendology albeit the funding is provided by the council.
- The affordability assessment is very detailed. Approximately 14% of loan applications are declined based on affordability and are then referred to the local authority for consideration for grant assistance.
- The local authority retains the decision on which householders and building works meet the eligibility criteria within their assistance policy.
- An unsuccessful application does not affect householder credit rating.
- Detailed knowledge of each council's assistance policies is essential to provide the best advice for clients. This is achieved through regular meetings plus day-to-day communication with the nominated key contact person in each council.
- Somerset Council also commission the Centre for Sustainable Energy (CSE) to provide an advice and information service for residents that includes current funding sources. Consequently, Lendology refer all enquiries through to the client's energy provider or CSE for an assessment of eligibility before any loan application involving energy efficiency measures is considered and approved to ensure clients secure improvements at the least cost.

Loan volumes, values, and redemption periods – for pre-covid, covid and post covid periods

The data reflects the diversity of eligibility criteria across the full partnership area. However, Home Improvement Loans are the most popular in each year by a significant margin so are separately represented in both tables below.

Table 10: Loan Activity in Somerset Council area – maximum loan normally £15k

Year	No. Loans Approved (All Types)	Funds Released	Average Loan Value (All Types)	No. Home improvement Loans	Average Loan Value
2019/20	51	£307k	£6,023	29	£5,140
2020/21	29	£268k	£9,243	20	£9,529
2021/22	55	£477k	£8,679	38	£7,750
2022/23	49	£494k	£10,084	21	£8,127

Table 11: Loan Activity across Total 15 Council Partnership Area

Year	No. Loans Approved (All Types)	Funds Released	Average Loan Value (All Types)	No. Home improvement Loans	Average Loan Value
2019/20	260	£1665k	£6,403	179	£5,913
2020/21	228	£1613k	£7,073	196	£6,384
2021/22	227	£1756k	£7,729	166	£7,019
2022/23	291	£2432k	£8,357	166	£6,743

Table 12: Age Profile Successful Grant Applicants across Total 15 Council Partnership Area

Year	18-49	50-59	60-74	74+	Total
2019/20	40	53	90	77	260
2020/21	47	66	65	50	228
2021/22	63	56	59	49	227
2022/23	100	37	98	56	291

- The total value of active loans across the total partnership area is over £8.36m as on 30 May 2023.
- Quarterly activity reports are provided for each local authority in respect of their ring-fenced account.
- The average period from loan approval to redemption for capital and interest repayment loans is 10 years.

Impact Evaluation

Somerset Council

SIP have developed a social return on investment business case for the health and care outcomes arising from housing led interventions by applying reported research findings to a range of activities and illustrating them in specific case studies.

SIP also undertakes a satisfaction survey with recipients of disability related services to identify self-assessed outcomes for fall prevention, mobility, ability to carry out everyday tasks, personal safety and security, self-care and improved mental health and wellbeing. This approach has helped SIP to develop a suite of KPI's at an individual and community level plus identify gaps in their service offer. A copy of the 2022 report is available by contacting SIP.

Lendology

For the overall programme across 15 councils in 2021/22 an Annual Social Impact Report was developed using the HACT Social Value bank methodology. It was independently reviewed by the Financial Inclusion Centre, a not-for-profit research organisation.

Key findings included the following:

- Client profile – 46% received benefits, 46% were aged over 60, 29% either did not know their credit rating or thought it fair, poor, or very poor and the household median annual income was £20,180.
- 93% of households were very satisfied and 7% satisfied with the Lendology service.
- 67% of households liked that Lendology worked in partnership with their local council.
- 46% of households appreciated that Lendology were a not-for-profit lender.
- On average, borrowers had experienced 5.5 years of living with the problem in their property prior to making the application.
- 71% reported an improvement in their health and wellbeing.
- There was an increase from 34% having enough money to keep the property in decent condition before the loan to 74% after the loan was approved.
- The Social Impact tool indicates that every £1 invested generates £2.58 of positive social impact.
- All local authority partners were very satisfied or satisfied with Lendology.

Supportive Statement

Federica Smith-Roberts, Somerset Council's Lead Member for Communities, Housing and Culture, said:

"Somerset Independence Plus is renowned for the support that it gives individuals throughout Somerset in looking to maintain an independent life and living in their own homes. At a time when local government has financial challenges, the work that we do through Somerset Independence Plus is vitally important to help us not only address those challenges through prevention, but also the benefits it brings individuals and the community of people living well and healthier for longer. In particular this is important for the older age group who struggle with where to go for support and assistance to maintain their homes."

Key Contact:

Christian Trevelyan
HIA issues
somindplus@somerset.gov.uk

Emma Lower
Loans
emma.lower@lendology.org.uk

or
loans@lendology.org.uk

Local Authority Profiles

Local Authority Profiles

Loan Case Study

Catalina

Homeowner with a mortgage

In her early 60's

Lives alone in a village

Background

Catalina is a homeowner with a mortgage in her early 60's and lives alone in a village a few miles from the nearest town. She has lived in her 1960's three-bedroom semi-detached home since 2000 and, after moving in, undertook some improvements.

She is currently employed on a low income but does not receive any benefits. She has a poor credit history and few savings.

Property Issues

In Spring 2022, Catalina started to have problems with her boiler. She had no hot water to keep herself or her home clean and couldn't afford to replace the boiler. She also knew her existing lender would not assist her because of her poor credit history. She looked online but could not identify any financial support available through high-street lenders. This made her feel demoralised and depressed.

Finding Help

Unable to find help online, she decided to contact the local authority who advised her to get in touch with Lendology. She found the staff friendly, patient, and non-judgemental and they provided reassurances that they were likely to be able to help her. Lendology encourage potential clients who may have physical or mental health difficulties to have someone join their discussions with the lender. As a result, Catalina's daughter, who lived locally, was able to take part in these conversations to support her mother who has a history of depression.

In addition to a condensing combination boiler to replace the back boiler, it was decided that the property also needed new windows. Obtaining competitive estimates for this work was the most time-consuming task in the loan process but quotes for a total of £8,000 were received. Lendology explained that a loan that did not involve a monthly repayment would be the most appropriate option because of Catalina's financial circumstances. She was comfortable that the cost would be met as a charge on the property as she had no intention to move in the foreseeable future.

The Impact

Since the works have been completed, Catalina has been feeling warmer at home and her energy costs have noticeably reduced which greatly helps with the management of her day-to-day finances. She thinks that if the loan had not been available, she would have just continued to struggle to cope with a cold home and no hot water which would have meant going to her daughter's home to keep clean.

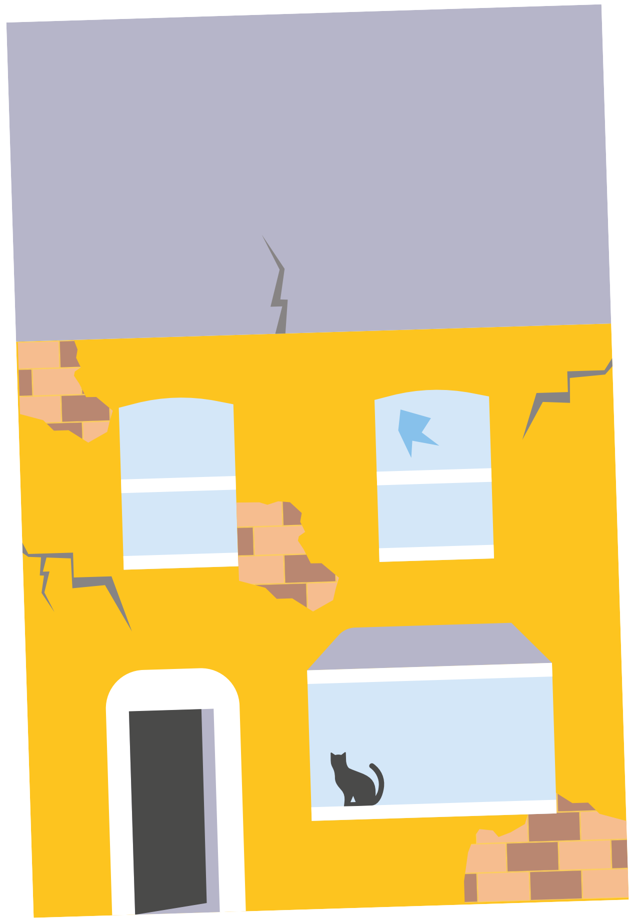
Local Authority Profiles

Combined Grant and Loan Case Study

Rowan and Maira

In their early 60's

Shared ownership arrangement with a housing association on a 50:50 shared equity basis



Background

Rowan and Maira are in their early 60's and have since 1988 lived in their 3-bedroom end-of-terrace property formerly owned by the local authority. They purchased it through Right to Buy with a mortgage in 1999. Unfortunately, a few months later Rowan developed a serious visual impairment. This meant he could no longer continue with his profession, and he became unemployed. He retrained for another profession, but it was a challenge to sustain that type of work as his condition deteriorated. His income reduced significantly, and it was a struggle maintaining mortgage payments so in 2007, with some reluctance, Rowan and Maira entered a shared ownership arrangement with a housing association on a 50:50 shared equity basis.

Property Condition

A few years later Rowan and Maira noticed that their roof was leaking in several places and was starting to cause dampness in the upstairs rooms. As they retain the repairing obligation for the property and only had very limited savings, it became a major worry as they did not know how to pay for the works needed. A relative who was a building contractor advised them that a patch repair would not last very long and it would be preferable to overhaul the entire roof. Quotations received suggested it would cost approximately £8,000 to do so. Rowan and Maira described that this made them feel "very depressed" as they knew that they would not be able to secure a loan through a mainstream lender. They also knew they could not move to another property as they had such limited equity remaining in their home.

Finding Help

Rowan remembered that about 15 years previously he had benefited from a small grant from the local authority to replace a very rotted and insecure door. Consequently, he contacted the council who confirmed that he met the eligibility criteria for a grant of £3,000 towards the cost of repairs. Rowan and Maira could, with family help, contribute £2,000 themselves. However, knowing that this would not meet the full cost of the necessary works it was recommended that they contact Lendology to see if they could obtain a subsidised loan to cover the other £3,000 required.

Rowan and Maira were very impressed by the speed at which the council and Lendology responded to their initial request for assistance and dealt with the paperwork. The repayment loan was approved for £3,000 and the work commenced promptly. There was a request from the building contractor for a deposit to start the work so a stage payment was received from Lendology to progress matters. Rowan had taken photographs before and after the work so he could show the local authority what had been done and confirm that he was happy with the work. Rowan mentioned that the final payment to the builder was approved by the council very quickly.

The Impact

Rowan commented that he did not know how he would have coped without the support of the grants and loan provided. He and Maira felt "total relief" when the works were completed as their leaking roof was a major worry for them. They no longer feel the need to monitor weather forecasts and can relax in their home.

Discretionary Grant Case Study

Eloise

In her late 50's

Relocated to Somerset after downsizing

Lives alone in a one-bedroom flat in a small town

Background

Eloise is in her late 50's and has lived alone for 10 years in a ground floor, one-bedroom flat in a small town, close to local facilities. She relocated to Somerset after taking the opportunity to downsize to clear any remaining mortgage on her former home.

After moving to Somerset, Eloise decided to train for a different career through local colleges. Unfortunately, the government funding for her course was removed before she completed her education which meant that she lost the paid placement associated with the course and had very little savings to support herself. This resulted in a worsening of long-term mental health issues in addition to some medical conditions she had developed.

Property Condition

The flat was originally in a reasonable condition until the property above Eloise's had a serious leak which caused water to enter her flat in several places. Ceilings collapsed, electrics became unsafe and there was extensive damage to walls, but the neighbour did not make the necessary repairs for a significant period of time. On top of this, Eloise's boiler stopped working so she had no heating or hot water. The cold conditions worsened her medical conditions, she was struggling financially, and her mobility had deteriorated. She did not know of any financial support available to her and therefore could not see any way to resolve the situation. She attempted to cope as best as she could for a year, but the situation made her feel depressed and alone as she did not have any local family or close friends.

Finding Help

During an appointment at the local GP surgery, a member of staff recommended that she contact the local authority as there were forms of assistance that may be available to her as a homeowner. After getting in touch with the council, her flat was inspected and her needs assessed. She was then able to apply for a Disabled Facilities Grant for a new accessible level access shower (£8,358) and a separate discretionary grant (£7,797) to replace the boiler, repair the ceilings, and address disrepair and dangerous electrics. The Home Improvement Agency also signposted Eloise to other services to help her de-clutter her home and apply for a Personal Independence Payment and the Winter Fuel Allowance.

The Impact

Eloise describes the help she had been given as "completely life changing" and "restoring her dignity". She says the property is now warm which has helped not just her physical health but also her mental health as she no longer experiences depressing negative thoughts brought on by the condition of her home. She feels everyone who helped her was caring and did not judge her in any way and is "proud of her home and now feels she can have visitors once again".

Wirral Council

Aspect of Case Study	Description
Wirral Council	– A unitary authority in the Liverpool City Region
Funding Model	– Discretionary grants and loans are administered in-house exclusively for eligible Wirral Council residents. It features a combined grant and loan method for meeting costs that reflects affordability for local residents in the area
Funding Sources	– Better Care Fund for discretionary energy and repair grants and loans (£300k in 2022/23) – Local Public Health Funding of Healthy Homes Service
Partnership Organisation	– Independent financial advisers available for loan applicants – Energy Projects Plus, a charity providing advice and assistance to access a range of schemes
Aim of Assistance Model	Provision of discretionary grants and loans for residents who are unable to: – Pay for works from income/ savings – Obtain loans from mainstream lenders
Population of Interest	– Low-income households with health needs and/ or residing in unsatisfactory housing conditions
Barriers/ Challenges	– High levels of social and economic deprivation in the local community – Increasing numbers of financially vulnerable people in an authority area with a slow rate of population growth, characterised by an increasing number of older people but a reduced number of younger and working age households
Learning	– Loan funding, when combined with grant assistance, enables individual housing needs to be addressed – An interest free, non-capital appreciation loan product results in very low cancellation rates by low-income households during the application process – The Healthy Homes Service focus their work in the most deprived areas and generate referrals to a number of services including grants and loans that would otherwise not have occurred

Local Authority Profiles

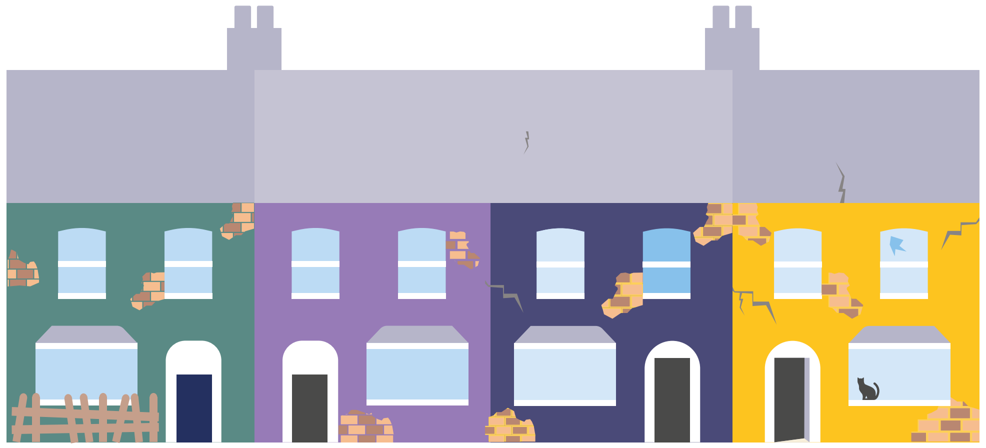
Characteristics of the Area and its Population

The council is located across the northern part of the Wirral peninsula with the major settlements of Birkenhead, Wallasey, Bebington, Heswell, Hoylake and West Kirby. It is one of the constituent councils comprising the Liverpool City Region.

The Census in 2021 indicated a population of 320,200, an increase of only 0.1% from the 2011 figure. This compares to an average increase of 6.6% across England and 5.2% in the Merseyside region. The age banding of Wirral's population in that ten-year period reveals a major increase in older age bands, especially for the over 70's, compared to a decline in some of the younger and working age bands.

This is a significant demographic shift with associated challenges for the area, that have been acknowledged in several corporate policy documents.

Wirral has major health and wealth inequalities across the borough which is broadly divided socio-economically by the M53 motorway running through it. Specifically, 83,000 residents live in the 10% most deprived areas of England, presenting the greatest internal disparity rate of any local authority in England. Additionally, premature mortality in the under 75's is significantly higher than the England average for almost all major causes of death.



320k

The Census in 2021 indicated a population of 320,200, an increase of only 0.1% from the 2011 figure

83,000

Residents live in the 10% most deprived areas of England

The Housing Stock

Whilst there are some pockets of very high value properties in Wirral much of the stock is in the form of older terraces, often in poor condition. The private rented sector is frequently located in these neighbourhoods and exhibit the highest proportion of properties failing the Decent Homes Standard.

Wirral Council has a long track record of area-based approaches to housing regeneration and renewal. Whilst the funding to support these initiatives is no longer available there is an active programme of selective licensing areas with the development of targeted support and intervention services. One form of assistance is the Healthy Homes Service which since 2010 has been providing evidence-based forms of advice, information and signposting to vulnerable people experiencing financial difficulties and poor health across all tenures in selective licensing areas. The revenue costs associated with four community-based staff employed on a rolling contract basis are met by the local Director of Public Health. The staff seek to assess household circumstances in a holistic way to address the wider determinants of health inequalities in the area. They are well connected with a range of other agencies in the statutory and third sectors. This service, being community based and visible, especially in the licensing areas, is one of the main referral routes for consideration of grant and loan assistance. Without this service it is likely that residents experiencing health and financial inequalities would remain hidden and their needs not addressed.

Across the borough the main priorities for housing are improving poor housing conditions, dealing with empty properties, home adaptations, homelessness, poorly managed private rented sector properties, energy efficiency and fuel poverty.

The Local Home Improvement Agency

A local authority in-house agency service.

The Local Private Sector and Regeneration Assistance Policy

The policy seeks to help address several key housing issues including:

- Responding to changes in the long-term population with increasing numbers of older people and rising numbers of smaller households
- Making better use of existing stock in all tenures including making homes more accessible
- Encouraging people to remain in the borough by improving quality and choice in housing options
- Interventions that reduce the risk of hospital admission or facilitate discharge from hospital to home
- Improving the energy efficiency of the stock

In summary, the forms of assistance in the Policy, in addition to adaptations, can be grouped into three categories under the general heading of Heating and Renovation.

Discretionary Adaptations

- DFG Top Up – maximum £30k
- Home Adaptation Grant – fast tracked works to reduce the risk of non-elective admission or re-admission to hospital, maximum £15k
- Adaptation Scheme Enabling Grant – to address disrepair or accumulations that prevent adaptations proceeding, maximum £10k
- Time Critical Adaptations Grant – cases involving palliative care, maximum £40k
- Replace/ Repair of Adaptations Equipment Grant – no maximum

Table 13: Numbers of Discretionary Adaptations Grants

Grant Type	2019/20	2020/21	2021/22	2022/23
DFG Top Up	4	15	12	3
Home Adaptation	313	309	365	409
Enabling	N/A	N/A	1	0
Time Critical	N/A	N/A	10	9
Repair Equipment	N/A	N/A	0	1

In 2022/23 the average value for discretionary adaptation grants were:

- DFG Top Up – £21,997
- Home Adaptation – £5,298
- Time Critical – £7,008

Discretionary Heating and Renovation Assistance

Heating improvements only

A grant of up to £4k. This option is available to owner occupiers and eligible tenants of landlords who own and rent no more than 2 properties. There are a wide range of heating and insulation measures available. Referrals are made to Energy Projects Plus, a charity that provides energy advice across the Merseyside area and identifies external schemes that the local resident may be able to access to meet all of the costs, but if not, the grant can top this up.

Smaller scale essential repairs

A grant up to £10k for householders who receive Council Tax support or cannot be discharged from hospital due to serious disrepair or hazards in the home.

Larger scale repairs/ improvement

A grant of up to £10k plus loan assistance up to £20k (i.e. a scheme total of £30k which can be increased by a loan top up of another £10k in exceptional circumstances). In this package:

- A loan up to £10k is classed as a Lower Renovation Loan and
- Any loan amount of more than £10k is viewed as a Higher Renovation Loan.

The Lower Renovation Loan is registered as a restriction and the Higher Renovation Loan is registered as a Land Registry charge on the property.

As property values, especially within the special licensing areas, are of a relatively modest value, the loan must not exceed 50% of market value if it has no mortgage or other existing charges or 80% of market value if there are existing loans on the property.

Any case involving a loan likely to exceed £10k in value is assessed by selecting from a list of Independent Financial Advisers who determine if the householder can access a loan from a commercial provider or an equity release product as an alternative to accessing the local authority loan. Their fees can be added to the cost of work should the local authority loan be approved. The applicant must confirm in the application that they have discussed the loan with their next of kin and/ or legal representative if they have one.

The initial qualifying criteria for consideration of a loan is simply that the applicant receives Council Tax Support.

Table 14: Numbers of Discretionary Heating and Renovation Grants

Grant Type	2020/21	2021/22	2022/23
Small scale repair including where heating improvements applicable	18	30	47
Larger scale repair including where heating improvements applicable	4	28	15

Local Authority Profiles

Table 15: Total Value of Discretionary Heating and Renovation Grants

Grant Type	2020/21	2021/22	2022/23
Small scale repair	£51,070	£83,396	£177,955
Large scale repair	£32,166	£201,457	£130,953

In 2022/23 the average grant values were:

- Small scale repair – £3,786
- Large scale repair – £8,730

The Loan Product

Applicable to all cases.

- Is interest free
- Involves no monthly repayment
- Is redeemed at the original value if the occupant dies, sells the property, or enters residential care so is not a home appreciation loan product

Consequently, as no interest is involved, it is acceptable to all faith groups with no need to develop a specific shari'a compliant product.

Most referrals arise from general enquiries from the public seeking grant assistance or through Wirral's' Healthy Home Service, Housing Standards Team, or Social Services.

The loan application is processed by a team based within the local authority rather than by an external financial intermediary.

As the loan does not involve any interest and is used for a specific purpose, the local administration service does not need to be regulated by the Financial Conduct authority.

An administration fee is charged and rolled into the loan value so that it does not need to be paid as an up-front cost by the applicant.

A market value assessment is only required when the loan exceeds £10k and this cost can also be included within the total loan value in the same way as the administration and financial adviser fees are administered.

Any work that has to be Building Regulation compliant such as certain electrical work, gas appliances or window installation, is only paid once the relevant certification has been received.

Local Authority Profiles

Loan Activity and Characteristics

Table 16: Number of Loans Approved

Year	Number of Loans Approved
2019/20	29*
2020/21	4
2021/22	6
2022/23	8
Total	47

In 2019/20 only loans were offered but from 2020/21 a grant of up to £10k was introduced.

- The average loan value for the 47 loans in Table 16 is £7,551.
- The average loan value for the Lower Renovation Loan is £3,830
- The average value for the High Renovation Loan is £19,908

Most households receiving discretionary financial assistance attempt to keep the cost to less than the grant limit of £10k by reducing the scale of the works. The householder is responsible for obtaining two quotes so the negotiation on scope of works remains in the control of the resident. It is in cases when reducing the scale of the scheme cannot be achieved that a loan is sought. Consequently, the number of loans approved is low. If the combination of grant and loan required for the necessary works exceeds £30k, the exceptional circumstances provision in the assistance policy allows for additional grant assistance up to £10k (i.e. a maximum scheme cost of £40k).

The loan, irrespective of value, is only available for homeowners.

The discretionary grant up to £10k that residents can access separately or in combination with a loan, does not need to be repaid.

As the loan does not involve monthly repayments it can be a significant period before they are repaid due to death, sale or moving into care. In the period 2019/20–2022/23 only five loans, associated with approvals over many years, were repaid.

Customer Feedback

Detailed customer satisfaction surveys for grant and loan assistance ceased five years ago but are likely to be reintroduced in an improved format as soon as a new IT system is introduced. Currently customers are only asked if they are satisfied with the building work undertaken, prior to payments being made to the contractor.

The Healthy Homes Service use a comprehensive survey form to collect a range of information on residents accessing support to inform how the service can help with referrals to other agencies. An outcome star system is currently being finalised and implemented when ready to assess the impact across their range of interventions.

Key Contact:

Alan Lipscombe
Housing renewal

alanlipscombe@wirral.gov.uk

Gregor Cooper
Disabled adaptations

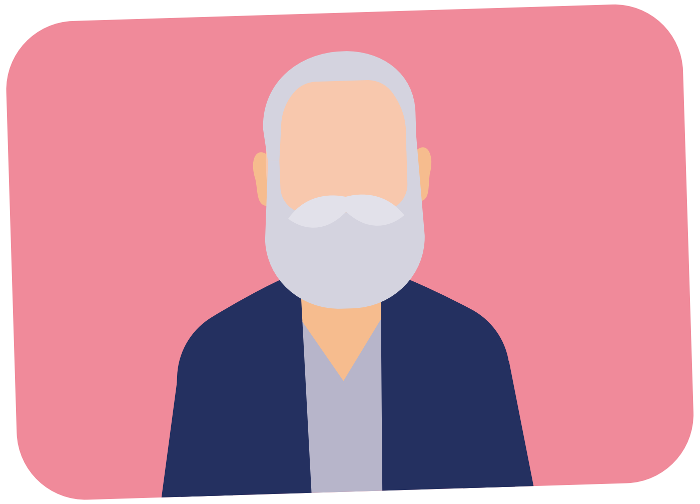
homeadaptationsteam@wirral.gov.uk

Supportive Statement

Paul Stuart, Leader of Wirral Council said:

“Wirral Council are delighted to be part of this study. Our Wirral Plan promotes happy, active, and healthy lives for all, with the right care at the right time to enable residents to live longer and healthier lives. A key aim is to support people to live independently, and Wirral’s financial assistance supports this objective by offering both grants and loans to help those who are least able to afford to maintain their homes. This ensures that they are not living in hazardous housing conditions. The Council is proud, that even in times of austerity, we have been able to continue to offer loans to low-income households which we have been doing since 2007 and, while not targeted exclusively at older people, 83% of recipients over the last four financial years have been in this age group. This assistance has been combined with home adaptations funding to provide a comprehensive package of support to residents to enable them to stay living at home”.

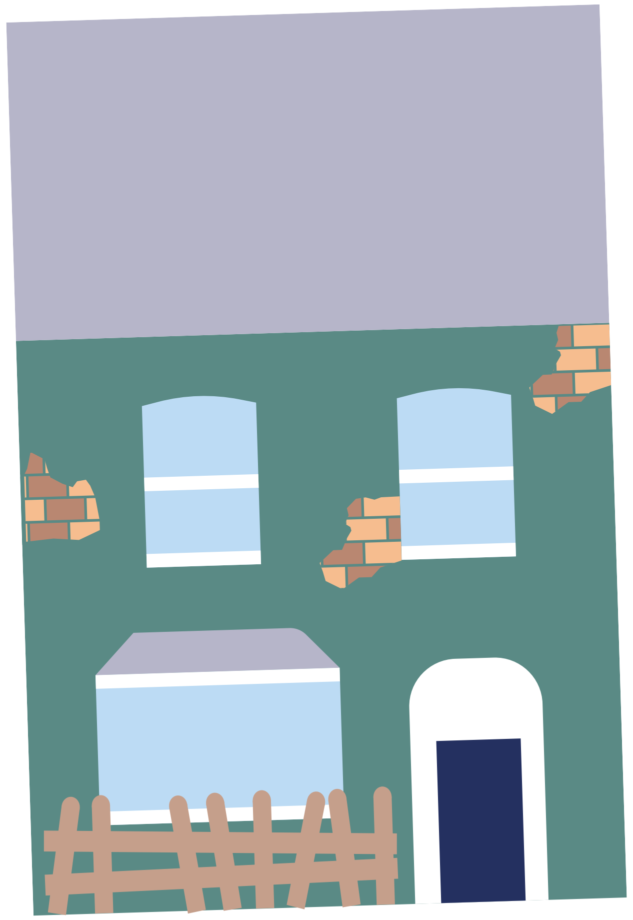
Loan Case Study



Brendan

In his mid-50s

Lives alone in the family home he has lived in his whole life



Background

Brendan is in his mid-50's. He lives alone in a semi-detached house that is the family home he has lived in his whole life. There is no remaining mortgage or other charges on the property. He likes his neighbours, the local community and ideally does not want to move, especially as he has many happy memories associated with his home.

He is currently not working due to several health conditions, relies on benefits and has very limited savings.

Property Condition

In recent years his house has been falling into disrepair, with a leaking roof resulting from storm damage, rotted timber windows causing draughts and insecure external doors in poor condition. He coped for a couple of years by placing buckets in the roof space to catch the rain and by trying to find ways to keep warm in winter. It caused him a lot of worry as he did not feel he had any options to meet the cost of the necessary repairs and was therefore actively thinking about selling his home. However, as his property was in poor condition and hence of low value, his options for purchasing a home elsewhere were limited and he did not want to leave his home and community anyway.

Finding Help

Brendan felt powerless to improve the situation as he was confident that a high street lender would not approve a loan for someone in his financial circumstances, until a friend mentioned that the local authority had a loan scheme which might be able to help. He made several calls to the council who clearly explained how the loan scheme worked and provided information for him to read in his own time. The loan seemed to be a solution to the problems in Brendan's house and, as it would not involve any repayment until he moved or died, he decided to go ahead with it.

Brendan understood that he could choose the building contractor to do the works but admitted that finding a builder who knew about the council loan scheme and had confidence in it was a challenge, especially as they were all busy with other work. Eventually, he found two contractors, one to repair the roof and one to replace the windows and doors. The total cost was £17,000. Brendan said that both contractors were reliable and tidied up at the end of each day.

The Impact

The improvements mean that Brendan no longer worries about cold and wet weather or having to move home, which makes a big difference to his physical and mental health.

He felt he had "nothing to lose" by taking out the loan as he does not pay back more than he borrowed and described it as "a lifeboat to sort out the problems in the home".

Acknowledgements

We would like to thank all staff from the five showcased local authorities who contributed to this report and the local residents who shared their experience of receiving assistance and the difference it has made to their quality of life.

Glossary: Types of Loan

Capital repayment loan:

The monthly repayment covers both interest and capital. The loan is repaid in full over a fixed term.

Interest only loan:

The monthly repayment covers only the interest on the loan. The loan capital is repaid on the date on which a property is sold.

Interest roll-up/ deferred capital repayment loan:

The initial loan period is Interest roll-up. There are no monthly repayments and the interest compounds annually for a fixed term and is added to the outstanding balance. The original capital borrowed, and the accumulated interest converts to a Capital Repayment Loan at which time monthly repayment commences. The monthly repayment then covers both interest and capital, and the loan is repaid in full over a fixed term.

Home appreciation loan (also referred to as a shared equity loan):

A loan where the capital sum required is linked to the value of the property. No regular payments are required. A valuation will be required to assess the property value at the outset and when the loan is settled to determine the repayment based on the original loan to value ratio.

Relocation appreciation loan:

Loan used to help a customer move because they need to live in a more suitable home to meet the needs of a disabled occupant. The loan is secured on the customer's property by a legal charge. The loan amount is calculated as a percentage of the value of the property the loan is to be secured against the purchase price of the property being purchased. When the loan becomes repayable, this percentage is then calculated against the new value or the agreed sale price of the property. The loan applicant makes no monthly repayments on the loan, and it only becomes repayable on death, sale or in residential care.

Appendix 1: Full findings for forms of financial support

Whilst the intention of this report is to provide a positive perspective on the commitment demonstrated by the five councils and their partners, it cannot disguise the fact that the level of financial resources available for their work cannot be viewed as a full substitute for the funding streams that were provided for local authorities prior to 2010. This conclusion endorses the two recommendations within the Good Home Inquiry:

- Provide low-cost government-backed lending and grants to improve homes and work in partnership with the consumer finance sector to develop products to encourage and incentivise homeowners and landlords to improve their homes.
- Provide long-term flexible funding to local government for local delivery, including enforcement.

If local authorities had access to increased funding, it would be entirely feasible for the good practice in this report to be scaled up to tackle the backlog of unsatisfactory housing conditions in the owner occupied and private rented sectors.

Forms of Assistance

The five localities profiled in this report were selected as each operate in a different way in respect of how their forms of funding assistance reflect the priorities within their locally adopted Housing Assistance Policy. When their approaches are amalgamated an opportunity for insights is provided concerning discretionary grants, loans, internal and external sources of funding and the role of voluntary and community sector organisations.

Legacy Funding

Four of the five localities have benefited to some degree from the legacy of a funding allocation from the former Regional Housing Boards in the mid 2000's. However, each has continued to provide further contributions to that baseline budget to ensure the sustainability of the current funding arrangements. The abolition of the Private Sector Renewal Support Grant in 2011 has not only resulted in a reduction of available funding to support interventions (beyond disabled adaptations) but has increased the challenge of providing annual top ups to the loan fund.

Regulatory Reform Order

The government has encouraged local authorities to exercise their discretion through the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 in how the DFG element of the Better Care Fund awarded to every local authority, is used. This has increasingly become a vital enabling mechanism for the top up funding required for discretionary grants and loans for helping to meet local need regarding energy efficiency, disrepair, hospital discharge, dementia and a range of prevention services seeking to address health inequalities. Without that power of discretion being available there would undoubtedly be a risk that the innovative approaches beyond mandatory DFG could significantly reduce.

However, local authorities continue to experience major financial pressures and, as one local authority manager mentioned in an interview with the author, assistance purely in the form of grants for homeowners with equity that could be released to maintain their own homes, at a time when council services are being cut, is an increasingly difficult argument to make. Moving to discretionary grants and subsidised loans, sometimes in combination, for those low-income homeowners unable to access traditional financial products from mainstream lenders, is likely to be better received by senior managers and local politicians when determining assistance intervention options.

All local authorities in England have the opportunity to take an informed decision on eligibility for discretionary forms of financial assistance. Each of the five showcased councils has chosen to operate in different ways to reflect community need and each has varying levels of budget provision. The following table (Table 17) illustrates the significant variation in their DFG award from government.

Table 17: Disabled Facilities Grant award amounts for each profiled local authority area

Local Authority	£m*
Bradford	£5.137
Eastleigh	£1.320
Leeds	£8.286
Somerset	£4.952**
Wirral	£4.724

* Figure is that specified in the annual letter from government confirming the local award available from 1 April 2023. It does not include the respective supplementary allocation made to every local authority from the additional £102m made available in the two financial years 2023-24 and 2024-25.

** This is the total figure for the former 4 council district councils that have been superseded by Somerset Council from 1 April 2023.

Issues of Consideration

For local authorities who are considering changing how they develop and deliver types of financial assistance, the approach of the five councils profiled in this report will hopefully be informative. It is perhaps loans, commissioning third party organisations and supporting self-funders that will be the most useful for that purpose as most local authorities already include discretionary grants in their Housing Assistance Policy. However, mention will be made in this report of the interconnectedness of discretionary grants and loans that can facilitate addressing unsatisfactory housing conditions experienced by low-income homeowners.

Loans

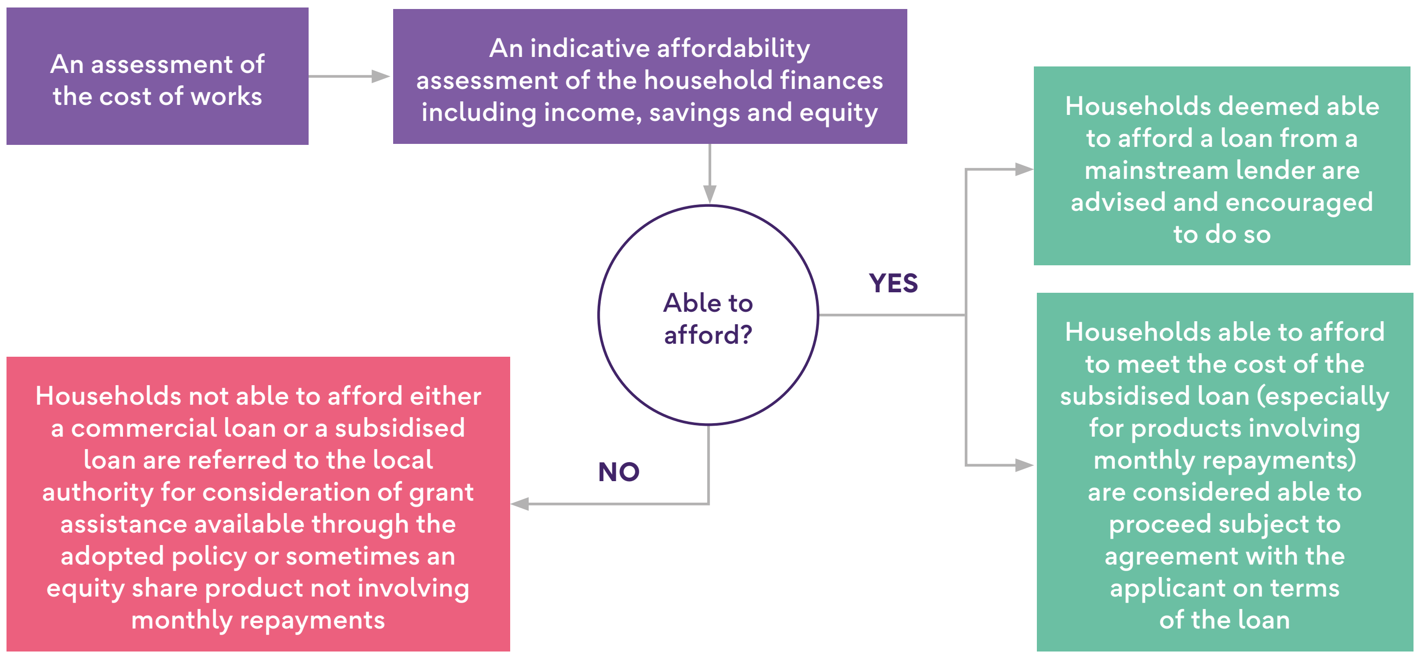
If a local authority wishes to pilot or introduce a loan scheme for the first time, there are a number of fundamentally important questions that need to be asked and answered.

The profiled councils who provide loans operate a system of eligibility informed by factors including:

- Who administers loans?
- Types of loan
- The types of work attracting loan assistance
- Household financial circumstances
- Property and equity value
- Sources of funding to support the loan product
- Householder age

They all seem to broadly align with the following procedure (outlined in Figure 1) for potentially eligible households:

Figure 1: Loan eligibility process across a number of case study areas



These stages are used to ensure suitable targeting of limited resources to those most in need.

Who administers Loans?

1. In-house administration

Local authorities, for a number of reasons, may not wish to partner with a commercial organisation but instead administer loans in-house. The Wirral case study operates in this way and Sheffield Council provide this service for a number of local authorities in the Yorkshire and Humberside region.

Due to the Regulatory Reform Order 2002, it was felt necessary to issue guidance for local authorities in 2005 regarding Mortgage Regulation here. In summary the guidance emphasised that whilst local authorities were exempt from Financial Conduct Authority regulation for mortgage lending and administration, they were expected to comply with the key principles of mortgage regulation. This is important as compliance with the guidance is one of the factors that the Local Government Ombudsman will consider if a complaint is referred to them. A couple of the principles refer to information on loan procedures being open, transparent, and readily available to a loan applicant plus the loan administration process must be reasonable and fair to the consumer akin to current credit regulation practice.

In addition, if the preferred financial product involved an interest rate, even a discounted one compared to mainstream lenders, regulation by the Financial Conduct Authority could apply.

Assuming the expertise to fully comply with the guidance did exist within the local authority there may be, dependent on the volume of cases, a recharge arrangement that would need to be met by the home improvement agency.

2. Partnering with an external organisation

If the in-house option is not viable, selecting an external organisation that is suitably registered and has a good track record of compliance with the Financial Conduct Authority is essential. Local authorities who provide loan finance to an external organisation report that older homeowners in particular seem more comfortable and confident if the partnership is between the local authority and a not-for-profit loan administrator with a social purpose.

The external loan administrator will need their costs to be covered in the partnership agreement with the local authority. This is likely to be met in a number of ways including:

- A fee which can be a fixed amount per loan or a sliding scale dependent on the size of the loan
- An annual management fee
- A proportion of the monthly loan repayments received
- Interest earned on funding transferred from the local authority pending allocation to referred cases

Operational costs could be met from more than one of the four options listed above but the initial set up arrangements are likely to involve a cost in addition to the annual fees.

A single authority, especially a two-tier council with a modest budget set aside for loans, may struggle to attract and meet the costs of a loan administration organisation who has not previously worked with a local authority for home improvement purposes.

Two alternative options could be to:

- Become an additional member to an existing partnership or
- Encourage other local authorities, preferably in the same region or sub-region, to jointly commission such a service.

The first option would probably be more viable as an individual local authority hoping to pursue a partnership arrangement, whereas a number of councils acting together could pursue either, as there are economies of scale and hence attractiveness to the loan administrator.

Both external organisations included in this report, Lendology and Parity Trust, have confirmed they are receptive to requests to expand their geographical partnership areas. However, other organisations do exist and are based in other regions.

A service manager when interviewed for this report explained that “it just makes things simpler” to leave the financial intricacies of loans to the expertise within the external organisation.

One of the key requirements of working with an external financial organisation is that they need to be fully aware of the detail within the Housing Assistance Policy of each of the partnership local authorities to provide informed advice to local residents seeking assistance. Having regular contact with each council and being able to respond quickly and flexibly in urgent cases is a valued element of the partnership.

Types of Loan

The glossary of terms on page 70 of this report provides an explanation of the main types of loan administered by the profiled local authorities. It is for each local authority to determine if they wish to adopt a form of loan that either:

- Requires a monthly repayment and whether that payment includes capital and/ or interest or
- Enables the local authority to assume a legal interest in a proportion of the equity in the property in exchange for the cost of work (plus fees) which will be repaid for reasons including when the owner dies, the property is sold, or the householder moves into residential care.

The first option provides certainty on the term of the loan. It also enables the repayments received during the loan period to be available for loans for other householders. However, there must be a robust mechanism to determine if the repayments are affordable to the householder to minimise the risk of default on payments. In addition, agreeing a repayment arrangement that is clearly not affordable to a low-income household is likely to involve a reputational risk to the authority.

The second option that involves the local authority assuming a share in the equity value of the property means that repayment is not made at a fixed point in the future but instead is repaid when the household circumstances alter, and the applicant no longer resides at the property. Clearly, for low-income households where major works are being undertaken this option is likely to be more affordable as there are not any monthly repayments.

This type of loan can involve either:

- Repayment of the equity-share on a non-appreciation basis so the same capital figure is repaid at a future date (as in Wirral) or
- Repayment on a capital appreciation basis where the proportional percentage value of the home at the start of the loan and redemption of the loan remains the same. Unless there is a major downturn in the housing market the redemption value will be greater than at the inception of the loan which results in a larger sum being returned to the authority (as in Bradford).

If the local authority is more receptive to shared equity products there is less certainty when the loan will be redeemed. However, for two of the profiled councils operating a shared equity appreciation product, the average redemption period is modest with time periods of 6 years 4 months across the total geographical area covered by the Sheffield Homes and Loans Service and between 7- 10 years for Parity Trust across their total administrative area. This can be shorter than the agreed loan period for capital repayment products. Consequently, there should not necessarily be an automatic presumption that redemption of a shared equity appreciation loan will be any longer than within a capital repayment loan.

Notwithstanding this conclusion, it needs to be recognised that in areas with very low property value the necessary loan to value criteria may not be achievable.

Across the case study areas, it is common for loans to be repaid early but, unlike some commercial loans, local authorities tend not to impose any additional charges for settling an account in these circumstances.

Shari’a Compliant Financial Products

This is especially important for local authorities where there is a significant proportion of Muslim households in their communities who meet the eligibility for financial assistance. As Islamic finance must not involve the payment of interest, some of the loan types offered by the profiled councils would not be acceptable to Muslim households. It is considered that the product offered by Wirral which is a capital loan without any interest is acceptable as are shared equity appreciation loans based on a consistent ratio of loan to property value at the start of the loan and when it is redeemed. Islamic finance accepts the principle of a shared equity product in that there is a shared risk of gains and losses to the lender and borrower in how property prices change over time. However, even in the capital appreciation contract a local authority will still need to specify how the capital sum will be repaid should a property devalue during the term of the loan, albeit that this is an unlikely circumstance.

The age of the applicant

Across all five local authority case studies, older people over 50 are a major beneficiary age group for discretionary grants and loans. It is generally more likely that older people will have little or no remaining mortgage on their home compared to working age adults and hence there is more headroom for approving a loan that meets the locally adopted loan to property value ratio. There is also a reduced likelihood of previous charges existing on the property arising from earlier mortgages. That said, older homeowners, especially those in areas of deprivation have limited income (or savings) to service a loan based on monthly repayments.

Additionally, older people without a mortgage or debt are often reluctant to take on a new loan especially if it involves the lender taking a share in the equity value as they may recall the media stories of poorly regulated equity release products of the 1980's and 1990's.

All of the five case studies have emphasised, especially for older low-income householders, that the discussions on loan assistance need to be progressed with sensitivity and patience. This is consistent with findings in the Good Home Inquiry captured by Ipsos MORI who found that 'many participants... didn't understand the detail of such schemes. Grants rather than loans were sought by homeowners which could reflect the scale of the financial barriers they faced.'

For external loan administrators such as Lendology and Parity Trust this is especially important as the loan contract will ultimately be between them and the householder so the householder must have trust and confidence in their service as they probably would not have been aware of them before contacting the local authority. Both organisations report that in conversations with the householder, having a partnership with a local authority does add credibility to the form of available assistance.

In addition, all five case studies do advise that a trusted friend or family member should be involved in the conversation about a loan. Furthermore, all five emphasise that independent financial advice should be sought before signing the loan agreement. Wirral provide a list of such advisors operating locally and the cost of that consultation can be added to the value of the loan.

The mortgage guidance issued in 2005 specifies that with regard to equity loans, if the council's level of equity share is in excess of 30%, the applicant will be required to take financial advice before the loan is approved.

The guidance also requires that to protect their interests the local authority must see evidence that the applicant has a valid and appropriate home insurance policy before approving the loan. The local authority details must be included on the insurance policy so that they will be notified if the insurance is cancelled within the term of the loan. A failure to rectify the situation can result in the local authority initiating a process to recover the loan.

Risk

The Good Home Inquiry revealed "homeowners looking to access small loans for home improvements can choose from a relatively limited group of lenders" and "encouraging larger lenders could not only bring the cost of finance down, but also move these types of loans into the mainstream, raising awareness of them among homeowners". Consequently, equity release products from mainstream lenders currently operate minimum levels of borrowing that can be significantly in excess of what is needed just to address disrepair and modest home improvements. This can mean the householder taking on more indebtedness than they require to address issues that they have prioritised. There is also a financial incentive for mainstream lenders to perhaps operate preferentially in high property value areas which is not where local authorities prioritise their financial interventions for low-income households.

One of the perceived barriers for mainstream lenders providing smaller value loan products could include the perceived risk of working with older people on modest incomes. However, the experience of Lendology and Parity Trust is that whilst the attrition rate for cancelled enquiries at pre-approval stage is higher for loans than grants, once the loan is approved the payment default rate for capital interest products is extremely low and is often temporary.

In the interim period one of the main recommendations of the Good Home Inquiry to overcome reluctance of the finance sector to become involved in this activity remains valid, namely "Provide low-cost government-backed lending and grants to improve homes and work in partnership with the consumer finance sector to develop products to encourage and incentivise homeowners and landlords to improve their homes."

Interest Rate

As local authorities tend to view themselves as "a lender of last resort" for low-income homeowners the interest rates across each type of loan tend to be lower than could be guaranteed by a mainstream lender. The rate is subsidised and when the loan commences the interest rate remains the same for the entire loan period which confers immunity from financial market volatility.

Housing Tenure

Apart from mandatory DFG and some grant based discretionary adaptation assistance, support for private rented sector tenants is generally very limited in local authority Housing Assistance Policies in England. This is especially true in the case of loans as they cannot offer a secured loan, and unsecured loans, due to their inherent risk, are likely to be expensive.

The ONS in their report Living Longer: implications of housing tenure (2020) here stated that the English Housing Surveys in 2015/16 and 2016/17 revealed three quarters of people over 65 in 2017 owned their properties outright but only 6% in that age group were living in the private rented sector. Additionally, whilst this is a small proportion of older people within the total number renting in this tenure it is highly probable that the numbers of older private renters will continue to rise as home ownership rates decline for middle aged people entering older age. The report elaborated by revealing that:

- Fewer than half of older private renters have any savings or investments.
- After paying housing costs private renters have lower incomes than older homeowners.
- Older private renters in the 60-69 age group report poorer health status than older homeowners.
- Older renters are more likely to live in a non-Decent Home and experience fuel poverty.

Furthermore, even if older private renters wish to improve their homes, they are reliant on consent being given by the landlord, which is not guaranteed. There is a duty on, and an expectation of, private landlords to provide good quality accommodation, but regulatory services in local authorities have been hugely impacted by cuts in staffing, so protections are inconsistently provided.

However, there was interesting practice reported in the three northern case studies where forward-thinking Directors of Public Health in one area (Bradford) have commissioned enforcement officers to enforce standards in the private rented sector and in another (Wirral) met the costs of four staff members of the Healthy Homes Service focusing on helping people in all tenures living within declared selective licensing areas. Leeds through their area-based improvement programme incentivise private landlords to improve their properties with a 25% contribution towards the cost of energy efficiency works, coupled with a regulatory regime for remaining management deficiencies.

Governance

As in all partnerships the local authority must have contract conditions and a mutually agreed way of working with local residents, especially vulnerable older low-income homeowners.

In summary, the division of responsibilities broadly divides on the following lines:

1. Local Authority

- Initial assessment of whether household is eligible for any form of assistance by virtue of type of work and receipt of specified benefits.
- Capturing information from the applicant and obtaining their consent to share it with the loan administrator.
- Confirming costs of the work either from estimates obtained by the applicant or through offering a full agency service to the applicant to obtain estimates.
- Formal approval of loan (and any grant if jointly resourced in this way).
- Dealing with any contractor issues or unforeseen works.
- Authorising a first payment to start works, stage payments and final payment after inspection of works and obtaining confirmation of satisfaction with the works by the applicant.

2. Loan Administrator

- Knowledge of the local authority Housing Assistance Policy to provide reliable information to the loan applicant.
- Process information received from the local authority on household eligibility.
- Ensure by contacting the local authority that external funding is not available for works being sought (especially energy efficiency).
- Arrange detailed discussion with the applicant and any accompanying trusted family or friend.
- Encourage applicant to seek independent financial advice.
- Send affordability assessment to local authority with recommendation on options i.e. self-funding, loan type or grant.
- Prepare a loan agreement for the applicant including full detail of the type of grant (including at minimum the monthly repayments, term of loan if applicable, interest payments if any, equity share information after independent valuation obtained).
- Send completed loan agreement to local authority for approval.
- Arrange charges on the property, if any, after loan approval received.
- Monitor payments and deal appropriately with any arrears.
- Settling accounts when the loan is redeemed which is more complicated for shared equity appreciation products as operated in Bradford for instance as a final property valuation is required.

Other Responsibilities

Complaints

Generally, any issue of complaint relating to the manner in which an enquiry was determined by the loan administrator is processed initially by them.

Local authorities retain an obligation to investigate a complaint involving their partner loan administrator if it cannot be resolved internally. They also have the obligation to investigate any dissatisfaction with the building contractor(s) especially if they are operating an agency service.

Monitoring Loan Activity

A local authority will usually specify that they require a quarterly or annual financial report on their budget administered by the loan administrator.

Customer Feedback and Evaluating Impact

The responsibility for seeking and receiving customer feedback (and in what form) varies between each locality but it is good practice to capture this information. Measuring impact of financial interventions in a rigorous way is recognised as a weakness generally in the HIA sector. This issue is detailed in a later part of this report.

Combining Discretionary Grants, Loans, and other Forms of Assistance

The five profiled local authorities all reveal examples of addressing poor housing conditions and/ or reducing health inequalities through not relying on just one type of assistance but rather a combination of types of support. This is particularly evident for energy efficiency or fuel poverty where, through effective joint working, eligibility for external funding sources such as ECO schemes is assessed prior to any consideration for a discretionary grant or loan. If the external scheme does not meet the full cost of the necessary work, then it can be topped up. Having an established relationship with a specialist energy information, advice, and support service is an integral way of stretching available local authority budgets.

Another form of combining forms of assistance is when a relatively low value grant for disrepair can be used to reduce the value required in a loan product to a level which is affordable. Combinations of this type also apply to topping up the mandatory DFG with a discretionary grant or loan. The Somerset resident case study for a roof repair illustrates this very effectively.

The approach adopted by Wirral to address disrepair is novel in that the first £10k is in the form of a grant but costs above that figure are a loan with the amounts required split into £10k categories i.e. lower and higher renovation loan. There is flexibility in the works that can be undertaken to reflect the priorities of the homeowner and the local authority.

In an area of modest property value homeowners have a natural tendency to avoid taking on a loan agreement so will scale back their expectations to keep within the £10k grant limit. The local authority however, do retain the ultimate decision on whether the reduced scale scheme represents value for the investment made.

Bradford takes a different approach and insist that at the end of the scheme of work involving a loan there should not be any category 1 hazards remaining so there is less choice that can be exercised by the homeowner in what works progress.

Whilst each approach has its merits each local authority has to decide based on the stated aims of the local Housing Assistance Policy.

For very small amounts of funding, especially required by low-income households with a poor credit history, local authorities do advise householders or make referrals on their behalf to local Credit Unions who provide financial products in a responsible way. Three of the five case studies (Somerset, Eastleigh, and Leeds) have this relationship.

Energy Efficiency

Increasingly, in the absence of a regular funding stream from government to support local authorities to address poor housing condition in their area, energy led area renewal programmes have emerged. This is especially set out in the Bradford and Leeds case studies.

Bradford act as the link between the external funders and sufficient contractor capacity by identifying areas that meet the eligibility criteria in respect of property features and household circumstances. This shortens the period from area declaration to commencement of work. Properties benefiting from an improved thermal performance can be individually dispersed in the area or more focused in specific streets. The council service oversee performance and authorise payments, but the partnership arrangement does not automatically require capital funding from the local authority.

Leeds by contrast have experience of accessing a wide range of funding opportunities for example linked to employment creation or community safety and translate them into housing improvement activities that produce relevant outcomes for the funder. They identify a rolling programme of mixed tenure terraces which are "enveloped" plus area improvements to improve community safety. Low-income homeowners in modest value properties benefit from the improvements often at no cost. Match funding is secured by contributions from the local authority, private landlords and social landlords who own properties in the terraces.

What is common to both Bradford and Leeds is a knowledge of the local housing stock and the people living in it. Both authorities also benefit from being within a combined authority area where expertise to identify funding sources and prepare competitive bids is available. Assembling such expertise in a smaller authority is possible but more challenging and could be made easier by forming a consortium for this purpose.

Supporting Self-Funders

Apart from increases in DFG budgets, which are intended to be linked to achieving health and care outcomes, there is little evidence that the government has fully recognised the need to improve the condition of the existing private sector housing stock or will restore a funding stream to achieve it. There has been a move away from viewing the housing stock as a national asset but instead visualising it as a collection of private assets where the owner has responsibility for maintaining and improving it. Unfortunately, not all owners can afford to do so or have the confidence to undertake the task, even if they have the funding to do so. Consequently, a series of local supporting mechanisms to encourage and enable homeowners to maintain their homes in a timely and suitable, cost-effective way that protects health especially as people age, can help reduce the impact of that funding shortfall.

The Good Home Inquiry recognised that there was a need for effective partnerships between homeowners, local government, and the voluntary and community sectors to design a suite of options to respond to housing circumstances in the local area.

There are several reasons why older people who can afford to maintain their homes fail to do so.

One of the challenges is shifting people's attitudes to the importance of occupying a satisfactory quality home especially if they have developed coping strategies to minimise the impact of the property defects they recognise. For those households with sufficient financial resources to self-fund improvements, being able to develop a scheme of works, identify reputable and proficient contractors and overseeing their work can be a barrier to investment.

A couple of the locality case study areas have incorporated support for this group in their adopted approach.

1. Somerset Council provide an in-house agency service involving a fee for this group managing approximately 30 cases per year. They also use part of their Better Care Fund allocation to employ four occupational therapy staff based in two demonstration centres where disabled people can visit, see, and try equipment for themselves with some then able to self-fund purchase of equipment and other adaptations.

2. Leeds Care & Repair are a not-for-profit independent home improvement agency commissioned by several organisations in the city including Leeds City Council, for a number of specific services. One element of the commissioning arrangements is that the independent agency receives cases involving disabled adaptations eligible for DFG but where the household want to pursue a different scheme from that recommended by the city council. The most common example would be an extension rather than adaptations within the footprint of the property. A full agency service is then available using recommended contractors to meet the assessed needs and release the DFG funding at completion of works. Leeds Care & Repair can also offer through one of their teams, a full agency service for self-funders wishing to undertake works of improvement. Organisations with charitable status operating in this way, tend to be trusted by local people and hence take up of the service is a popular option.

Commissioning Voluntary and Community Sector Organisations

There are several advantages associated with local authorities commissioning voluntary and community sector organisations, or even just establishing agreed work practices and referral mechanisms.

Voluntary and community sector organisations, especially in diverse urban areas, often have an extensive network of other similarly based bodies which work reciprocally to assess an individual's needs in a holistic way. They are agile, innovative and generally trusted by local residents. They can sometimes use funding received through a commissioning route as match funding for other financial resources to optimise their potential for improving lives.

Leeds City Council commission the agency to help with:

- Heating and Energy Efficiency – a range of no cost interventions for homeowners over 65 with household income under £30k and savings less than £16k.
- Falls Prevention – free for anyone over 18 years old and living in any housing tenure.
- Hazard Repairs – homeowners over 60 in receipt of council tax benefit can receive assistance for an essential plumbing, electrical or joinery repair up to £150 once a year.

Agency staff who assist older people through these services can often identify additional issues that need addressing and make referrals to other community based or public sector organisations.

Somerset commission Lendology and the Centre for Sustainable Energy, but they have also informally developed an extensive network of communication with a wide range of community based and public sector organisations.

Customer Feedback and Impact Evaluation

Organisations should ideally be able to demonstrate the positive impact experienced by households receiving financial assistance. Unfortunately, whilst recognising this objective it does not occur in a robust manner in many housing organisations.

The default tools tend to be customer feedback surveys or case studies which are useful for specific internal audiences but are not sufficiently robust for commissioners as they tend to be focused on the process rather than impacts on the quality-of-life indicators experienced by local residents receiving the support and assistance.

Housing staff may not be suitably knowledgeable on more appropriate methodological techniques to evaluate impact or have the time to pursue them. In addition, the sample size for each intervention is likely to be relatively small so results cannot be extrapolated to the wider population.

However, in this report the partnership between Somerset Council and Lendology have attempted to apply recognised research findings to their activity as one way of trying to compile a business case for housing led interventions and have also employed a social value tool that has been independently evaluated.

Leeds Council have also used a range of indicators to assess the impact of their area-based energy led renewal programme, not just on thermal performance of the terraces involved, but also the wider community benefits associated with environmental and security works undertaken.

Centre for Ageing Better

Let’s take action today for all our tomorrows.
Let’s make ageing better.

This report is part of our work on Safe and accessible homes and is freely available at **ageing-better.org.uk**

The Centre for Ageing Better creates change in policy and practice informed by evidence and works with partners across England to improve employment, housing, health and communities. Ageing Better is a charitable foundation, funded by The National Lottery Community Fund.

COMMUNITY FUND