

Report to

Cabinet
Scrutiny Co-ordination committee
Council

6th March 2007
21st February 2007
20th March 2007

Report of

Director of Community Services

Title

Response to a Government Consultation Document entitled "Disabled Facilities Grant Programme: The Government's proposals to improve programme delivery. Consultation."

1 Purpose of the Report

- 1.1 For over three years there has been a review in progress within Government relating to the operation of the Disabled Facilities Grant programme.
- 1.2 The Government published a Consultation paper in January and invited responses by 13th April.
- 1.3 The purpose of this report is to suggest a possible response.

2 Recommendations

- 2.1. Scrutiny Co-ordination Committee is asked to consider the draft response in Appendix 2 and to forward its views to the Cabinet for consideration
- 2.2. The Cabinet are asked to consider the draft response, together with any comments from the Scrutiny Co-ordination Committee and to make recommendations to the Council
- 2.3. The Council are asked to take account of the recommendations from the Cabinet and to approve the draft response, amended as necessary in the light of those recommendations

3 Information/Background

- 3.1 Disabled Facilities Grants (DFG's) are means-tested, mandatory grants, awarded to people with disabilities who need adaptations to their homes to make them more suitable for their occupation.
- 3.2 The operation of the scheme is proving difficult for Coventry and many other Local Authorities, because demand exceeds available resources. A 'Waiting List' of people wanting to make an application has therefore built up and outside inspection agencies have been critical of the situation in the city.

- 3.3 Last October, a series of initiatives was instigated to try and improve the situation and they are being reported on to both Scrutiny Co-ordination Committee and the Cabinet Member – Community Services.
- 3.4 The DFG programme has a complex funding arrangement. Government funding for housing capital work is provided to Local Authorities through the Housing Investment Programme and the programme is now made up of two allocations. One allocation has to be used entirely to finance DFG work and in 2006/07 has amounted to £1.008m. The second allocation can be used on other elements of housing capital work as well and in 2006/07 amounted to £2.575m. In order to access the DFG allocation, however, 40% of the grant value has to be matched funded from the second allocation. Thus at least £0.403m of the second allocation has to be allocated to DFG work to access the first.
- 3.5 Next year, although the DFG allocation has increased to £1.089m, the second allocation has reduced to £1.934. Thus to access the DFG allocation, £0.436m of the second allocation must be spent on DFG's.
- 3.6 Because of the demand for DFG's in Coventry, however, virtually all of the two allocations together are now expended on DFG work.
- 3.7 A full copy of the consultation paper can be obtained from the Head of Housing Policy and Services. The document does, however, contain a summary of recommendations and these are attached at Appendix 1.

4 Matters of principle to consider in response to the Consultation Document

- 4.1 As well as commenting on matters of detail, there are a number of fundamental principles that you are asked to consider when giving directions about a possible response.
- 4.2 The consultation does not acknowledge that the majority of DFG's are now given to older people experiencing mobility problems, rather than younger families containing a person with disabilities. This has meant that demand has increased hugely, but the funding regimes do not reflect that change. Many of the people to whom DFG's are awarded live in property with considerable equity in it. Again however, this is not reflected in the current 'means test' that is applied.
- 4.3 Given the unsatisfactory nature of the financing arrangements which see the Council committing a disproportionate amount of capital resources to DFG work and still not achieving the targets set by the inspection bodies, it is suggested that a fundamental criticism of the consultation should be that it does nothing to address that problem. At times, its proposals worsen it. Thus, for instance, to anticipate increasing the maximum level of grant from £25,000 to £30,000 immediately, and £50,000 in longer-term stages is unhelpful when Authorities are struggling to meet the existing financial commitment.
- 4.4 In other areas of home improvement policy, Government policy has moved away from grants altogether and the expectation is that people use the equity in their homes to finance improvements. The Council is part of a West Midlands scheme known as 'Kick-start' that is piloting equity release loans. The thinking behind such schemes is that if an owner-occupier has owned property for just a few years, generally speaking house-prices have increased at such a rate that providing ways can be found to 'release' it, people can use the equity in their homes to finance essential home improvement. It is suggested therefore, that the response should also point out that equity release should be used to fund adaptations for people with disabilities.

- 4.5 Part of the difficulty of the present arrangements is that they are mandatory and very prescriptive. It is suggested therefore, that the response should say that the mandatory and prescriptive framework of the legislation should be removed, enabling Authorities to develop appropriate local solutions commensurate with what is feasible in the locality. That would enable Authorities that are rich in capital to develop grant schemes if they so wish, and for others to develop alternatives schemes that they can finance.
- 4.6 The consultative document explores whether a 'charge' should be levied on the property, so that when eventually disposed of, some repayment is made of the grant. It is suggested that the response should say that this should be a fundamental principle of any future grant scheme, if one is to be maintained. It will be important, however, if such an arrangement is introduced to ensure that the implications are thoroughly understood prior to implementation, to avoid creating further delays in the system.
- 4.7 At present there is not complete legislative unity between the DFG process for determining whether a grant should be made and the 'Fair Access to Care ' arrangements for determining whether social care should be provided to an individual. It is suggested that our response should argue that the eligibility criteria for DFG's should be brought completely in-line with the 'Fair Access to Care' arrangements. The advantages of such an alignment would also lead to DFG's been seen in the context of a whole system of care.
- 4.8 In the longer term, the need for adaptations would be greatly reduced if all new housing is constructed to 'Life-time Homes' standard, facilitating easier movement around the property for those less mobile. There has been discussion relating to whether the Building Regulations should be changed to require that. Instead the government has built the idea into a voluntary code for developers, entitled the 'Code for Sustainable Building'. The Code covers the various elements that contribute to the sustainability of a new building. There are nine categories and 'Life-time Homes' is one of four elements within Category 7 – 'Health and Well-being'. It is suggested that the response to the DFG Consultation Paper ought to argue that there should be a mandatory requirement placed on all developers to build to that standard.

5 Matters of detail to consider in response to the Consultation Document

- 5.1 It is suggested that if the overall framework of a grant scheme is to be retained, the following aspects should be particularly supported:
- The proposals to simplify the funding arrangements to Councils so that there is one allocation, rather than two as at the moment
 - The recommendation to let all social housing that is adapted through a Choice-based Lettings routes, so that people can see what is available and bid for it if they need purpose built, or adapted property.
 - The recognition that grants ought to be available to help people to move to more appropriate accommodation, rather than just to provide adaptations to the existing home.
 - The suggestion that the adaptations that are undertaken should include giving access to the garden and other outside areas beyond the living accommodation, within the framework of 'Fair Access to Care, and reflective of individual aspirations and agreed outcomes.
 - The suggestion that the legal framework should be altered, so that work does not have to be procured scheme by scheme. This would allow better procurement. Larger contractors might be interested and equipment might also be better procured.

- The recognition that the existing mandatory Application Form requires simplification as it is far too complex.
- The freedom to use Individual Budgets to deliver adaptations. However, it should be recognised that in order to do this in a meaningful way the process would have to be re-designed to allow for involvement of expertise early in the system in establishing a grant allocation.

5.2 It is suggested that the following aspects suggested in the Consultation Paper should not be supported:

- The suggestion that Home Improvement Agencies (HIA's) should be the basic delivery agent for DFG's. We believe that HIA's have a very important part to play and work in close partnership with our local agency, but we do not consider that the problems of the existing legislative framework will be resolved if HIA's take over the full housing adaptations service from the Local Authority.
- The suggestion that, as in Wales, a completely separate 'rapid response' agency to deal with urgent hospital-discharge cases, should be created. If required, the local priority system for dealing with DFG's s can deal with that element.
- The suggestion that independent Occupational Therapists should be employed and their cost charged to the grant. It would be impossible to achieve consistency of approach if such an arrangement was introduced.

6 Conclusion in response to the consultation document

6.1 Generally it is felt that the document does not go far enough in recognising that there are some fundamental system barriers within the mandatory DFG framework. If some of the changes suggested in the document are introduced, however, detailed work will be required to understand the impact and to ensure that they do not cause further delay.

7 Other specific implications

7.1

| | Implications (See below) | No Implications |
|---------------------------|-----------------------------|--------------------|
| Neighbourhood Management | | √ |
| Best Value | | √ |
| Children and Young People | | √ |
| Comparable Benchmark Data | | √ |
| Corporate Parenting | | √ |
| Coventry Community Plan | | √ |
| Crime and Disorder | | √ |
| Equal Opportunities | | √ |
| Finance | | √ |
| Health and Safety | | √ |
| Human Resources | | √ |
| Human Rights Act | | √ |

| | Implications (See below) | No Implications |
|---|-----------------------------|--------------------|
| Impact on Partner Organisations | | √ |
| Information and Communications Technology | | √ |
| Legal Implications | | √ |
| Property Implications | | √ |
| Race Equality Scheme | | √ |
| Risk Management | | √ |
| Sustainable Development | | √ |
| Trade Union Consultation | | √ |
| Voluntary Sector – The Coventry Compact | | √ |

7.2 As a Consultation paper, the response to it does not have implications for the areas listed. If the DFG scheme is amended there will be implications for many of those areas and a report will be brought forward at the time.

8 Timescale and expected outcomes

8.1 The closing date for consultation is 13th April 2007

8.2 A summary of responses to the consultation will be published by the 6th July.

| | Yes | No |
|---|---|----|
| Key Decision | | |
| Scrutiny Consideration (if yes, which Scrutiny meeting and date) | √ Scrutiny Co-ordination Committee. 21/2/07 | |
| Council Consideration (if yes, date of Council meeting) | √ 20/3/07 | |

List of background papers

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Description of paper
File: DFG Consultation

Location
SH6

APPENDIX 1

Extract from "Disabled Facilities Grant Programme: The Government's proposals to improve programme delivery. Consultation."

Summary of Recommendations

A. Proposals which can be developed quickly:

It is of primary importance that there should be no change to the mandatory nature of the grant available.

Extending the scope: Meeting more needs

- a) Maximum limit of £25,000 to be increased immediately to £30,000. This will be subsequently reviewed with the aim of increasing to £50,000 in stages if the evidence shows that local authorities are realising sufficient offsetting savings through using the powers described in b) below.
- b) b) General Consent to be issued under secondary legislative powers to allow local authorities to reclaim DFG in certain cases when adapted property in owner occupation is sold, subject to safeguards and limits. A range of options on how this might work is suggested in the paper but in all cases there would be a minimum award of grant of at least £5,000 for which no repayment conditions could be attached.
- c) New Statutory Instrument to be made which would clarify that DFG is available as a mandatory entitlement to ensure disabled persons have access to the garden and other outside spaces included within the boundary of the dwelling.

Ensuring clearer priorities and strategy

- d) Issue new guidance to Regional Assemblies (RAs) to ensure that Regional Housing Strategies have a more explicit policy on adaptations as well as a more strategic and coherent approach to accessible housing. Disabled Facilities Grant would be rebadged and called Accessible Homes Grant to reflect this wider ambit. The mandatory entitlement of disabled people to support would be unaffected.
- e) This will be linked to new guidance to housing associations emphasizing the need for them to contribute towards the regional strategy on accessible housing and to reach local agreements with local authorities in relation to major housing adaptations with a view to sharing the cost.
- f) Provide additional flexibility for the use of the Communities and Local Government ring-fenced grant for DFG so that it can be used for associated purposes such as a grant which will enable clients to move home, if that is the best option, or for fast track systems to provide minor adaptations. Two options are proposed with resources being paid to local authorities using section 31 of the Local Government Act 2003. The options would be either to widen the scope of the existing ring-fenced grant so it could be used for additional purposes other than mandatory DFG, or to abolish the ring-fence and replace it with a targeted grant to support housing accessibility. The widening of the scope of the ring fence will be piloted first in the Individual Budget areas for 2007-08.

Faster delivery and simpler access:

- g) Encourage local authorities to build on best practice and use their new financial flexibilities and freedoms to develop fast track delivery systems to deliver urgent and small-scale adaptations. Further guidance on model delivery systems will be issued.
- h) Introduce a simplified application process for DFG through changes to secondary legislation.
- i) Promote new methods for procurement of adaptations equipment to reduce costs, eg through regional development centres.
- j) Pilot the increased use of Home Improvement Agencies (HIAs) in delivery of housing adaptations. Firstly, to provide a rapid response for the prevention of accidents and promote early release from hospital, (based on the system used in Wales). Secondly, to provide a full agency service for housing adaptations in county areas. Possibly as part of extended Link-Age Plus pilots.

Working towards integrated services

- k) Communities and Local Government will continue to work with DfES to consider how DFG could better meet the needs of disabled children and their families.
- l) The Government recognises the potential benefits of the re-designation of stair lifts as items of equipment to be provided by the Community Equipment Service rather than through DFGs. Communities and Local Government to work with DH to examine the financial and other implications of this change, taking account of the views expressed by local authorities and other stakeholders.
- m) Communities and Local Government will work with HMT/DWP/ etc to consider the scope for improved targeting of the DFG means test given available resources.

B. Proposals for longer-term rationalisation of legislation and social care programmes:

- n) Disabled Facilities Grant to be an important part of the Individual Budgets Pilot programme with a Government commitment to explore how it can be more closely integrated into a new system for social care for older and disabled people, incorporating a more streamlined assessment of need, a transparent allocation of resources and greater flexibility and choice for those being supported.
- o) Review of legislation for providing housing adaptations and of organizational structures for delivery to await evaluation of the Individual Budget Pilots.
- p) The Government accepts there will be a need to consolidate the DFG and Care Services means tests – subject to successful evaluation of Individual Budget Pilots; a decision to rollout Individual Budgets (IBs) nationally; and available resources.

Appendix 2 **Suggested Response to Department of Communities and Local Government**

The Government's proposals to improve programme delivery of DFG's are, in our view, misguided and insufficient. They fail to fully recognize the fundamental issues that exist within the system, and instead are making peripheral changes that will not resolve the long-standing issues, and in some cases may actually worsen them.

The consultation does not seem to recognise that the majority of DFG's are now given to older people experiencing mobility problems, rather than younger families containing a person with disabilities. This has meant that demand has increased hugely, but the funding regimes do not reflect that change. Many of the people to whom DFG's are awarded live in property with considerable equity in it. Again however, this is not reflected in the current 'means test' that is applied.

The guidance currently is extremely prescriptive, and does not allow for local flexibility. We would like to see the mandatory and prescriptive framework of the legislation removed thus enabling local authorities to develop local sustainable systems. That was the route followed with regard to general private sector home improvement through the Regulatory Reform Order and should be paralleled with work to help people with disability who own their own homes.

Currently, there is no legislative unity between the DFG process for establishing eligibility and Fair Access to Care. This is considered a significant weakness of the system, and must be addressed in any future changes to the DFG system. To bring these into line would have the additional benefit of adaptations being seen as part of a whole systems approach to facilitating independence and enablement.

The response below addresses the consultation sections in turn, commenting where appropriate.

Extending the scope: Meeting more needs

Increasing the limit of funding available for DFG's will do nothing to solve the problem of the long waiting lists currently being experienced, and is unsustainable within current resources.

The suggestion of raising a charge on adapted properties should be a fundamental precept of any grant scheme that remains. We would much prefer a more general equity release scheme, but can see advantage in being able to put a 'charge' on the property. We do not, however, believe that the charge scheme should be so complicated and with so many safe-guards that to reclaim the charge is the 'exception rather than the rule'.

We support the notion of allowing people to access outside areas of their property, however, this must be in line with Fair Access to Care, and reflective of individual aspirations and agreed outcomes. This therefore, would need to be established on a case by case basis.

Ensuring clearer priorities and strategy

The proposal to simplify the funding arrangements to Councils are welcomed. We also support the notion of extra flexibility of the grant, facilitating developing local approaches commensurate with what is achievable in a locality and furthering our goal of achieving enablement and independence. This includes the flexibility to use the grant to enable people to move accommodation, rather than just providing adaptations.

Generally it is felt that there are unrealistic expectations of what the Individual Budgets pilot will be able to achieve in relation to DFG's. It should be recognised that in order to use Individual Budgets for DFG's front loading of the system would be required, to enable appropriate

allocations to be determined at an early stage in the process. Furthermore, we would ask Government to recognise that it is not the goal of the Individual Budgets pilot to deliver savings.

Faster delivery and simpler access

We do not support the suggestion that Housing Improvement Agencies should be the primary delivery agent for DFG's. We do not feel that the problems within the system would not be resolved by such an approach.

We support the suggestion that the legal framework should be altered to enable block procurement, which may realise efficiencies.

It is felt that the existing application form is too complex, and would benefit from simplification.

Working towards integrated services

We cannot see a benefit in re-designating stair lifts as an item of equipment. This would not realise any benefits.

We do not support the suggestion of a separate rapid response team. We believe that if there is a local problem where-by the completion of adaptations is delaying hospital discharge, a local priority arrangement can be developed to address it. It does not need a national solution.

We feel that the utilisation of private occupational therapists from the grant would be detrimental. To do so would not enable a consistency of approach.

Conclusion

In the longer term it is felt that the need for adaptations would be significantly reduced if the 'Lifetime Homes' element of the 'Code for Sustainable Building' were to become a mandatory standard within the Building Regulations.

At the root of the problems with the existing system, is the shortage of finance. We like many Authorities, are attempting to manage demand to match available resources and are inputting a considerable amount of cash over-and-above the DFG allocation from Government. Until that is resolved (in our view by moving away from a mandatory grant based system) the present arrangements will not operate effectively.