

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **CABINET**

DATE: **TUESDAY, 19 MARCH 2013**

REPORT BY: **DIRECTOR OF COMMUNITY SERVICES**

SUBJECT: **PRIVATE SECTOR HOUSING RENEWAL –
PROVISION OF DISABLED FACILITIES GRANTS IN
COUNCIL HOUSES**

1.00 PURPOSE OF REPORT

1.01 To seek Cabinet approval to remove the Disabled Facilities Grant (DFG) regime for Council tenants from 1st April 2013, excluding those that have moved from owner occupation in the previous 12 months, for the reasons outlined in this report.

2.00 BACKGROUND

2.01 The provision of Disabled Facilities Grants is a statutory responsibility placed upon Council's by the Housing Grants, Construction and Regeneration Act 1996. This duty is tenure blind and anyone with a disability need assessed by an Occupational Therapist can therefore apply.

2.02 The system for providing disabled adaptations in Wales is currently complex. Owner Occupiers and Private Tenants make applications through the DFG process. However, Registered Social Landlord (RSL) tenants are provided with adaptations through the Physical Adaptations Grant (PAG) and there is an expectation that RSL's will top slice their Social Housing Grant (SHG) to fund these.

2.03 DFG applicants are means tested using a national system which examines both income and savings to determine whether an individual can afford to contribute towards their adaptation. Child applicants, under the age of 19 are excluded from the means test. The means test determines how much of a contribution is affordable to the applicant and therefore this level can be above the cost of the adaptation if significant income or savings are present. Where the assessed level of contribution is near to, or above the actual cost of the scheme, then advice is provided but a grant is not.

2.04 In terms of providing adaptations in Council properties, the picture across Wales is mixed. Those Council's who have transferred their housing stock no longer have responsibility for providing adaptations to former Council tenants. Those who have retained their stock deal

with adaptations in different ways. Some insist on utilising the DFG process for all Council house applicants. Others only use it for adaptations over a certain threshold e.g. £10K and many have stopped using the DFG process altogether believing it gives them more freedom to effectively manage their stock.

3.00 CONSIDERATIONS

- 3.01 Given the need to reduce costs, particularly revenue costs, it is timely to consider whether utilising the DFG process for all Council house adaptations offers good value for money.
- 3.02 In 2011/12 the Council completed 155 DFG's in Council properties at a cost of circa £850K and the total value of contributions received for all these adaptations was £3,586.31. There were 7 withdrawn DFG's on the basis that the applicants failed the means test and therefore were required to fund the work themselves.
- 3.03 The process involved in approving a DFG application is complex. All DFG applicants are required to undergo a provisional means test over the phone to establish whether they are on a means tested benefit, which allows them to be passported through as a nil contribution.
- 3.04 Should the applicant need to undergo the full means test, applicants must provide details of all income and savings (including documentary evidence) and 12 months bank statements. Following on from that a member of Housing Renewal will visit the applicant to complete the application form, as it can be complex for older and vulnerable applicants.
- 3.05 The next stage in the process is that the work has to be scheduled and costed by the in-house team to provide a grant value. The grant can then be approved and the job forwarded to the in-house team for completion.
- 3.06 The cost of mileage for visiting and completing application forms during 2013/14 is estimated to be approximately £1,500. The other major cost of this process is staff time, with each of the 155 applicants personally visited.
- 3.07 If we assume that completion of each application takes an hour, including travelling time, for phone calls to undertake provisional means testing will add to this cost for a total of £2,791. The Quantity Surveyor's input of 30 minutes per application also costs in the region of £1,610.
- 3.08 The result is a total cost of £5,900 in mileage and staff time, or an average of £38 for each application processed. This is a very conservative estimate, as the circumstances surrounding each application will be different. These figures do not include the

Occupational Therapists, Surveyors and Clerk of Works time, which would still be required going forward. On the basis of these figures it would therefore not seem to offer value for money to continue utilising the DFG process for all Council house applicants.

- 3.09 There would also be other advantages of moving away from the DFG regime in Council properties. The less bureaucratic system would provide equality for Council tenants with RSL tenants, who do not have to submit to a means test. Removal of this bureaucracy would free up staff time to administer growing work areas within the team, such as energy efficiency and empty homes. These two work areas are currently the subject of high priority by both the Welsh and UK governments and the Council has been fortunate to lever in significant funding for the delivery of projects. The freeing up of some staff resources will assist in this endeavour.
- 3.10 Provision of adaptations would be quicker, as there would be no need to wait for the completion of application forms and the means test. Council tenants would also no longer have to collate and provide documentary evidence as to their financial means. It is anticipated that this would speed up the process by up to 20 days and therefore have a positive impact on void turnaround times when a disabled tenant is identified for an easily adapted property.
- 3.11 The new system would also be simpler to administer, as there would be one system, regardless of whether something was a major or a minor adaptation and there would be no differentiation based upon the existing £1,000 threshold. This amount is the demarcation between a minor adaptation valued below £1000 (where the DFG process is not used) and anything above that level to a maximum of £36,000, which is currently subject to the DFG process.
- 3.12 A more streamlined system would also support the Council's Specialist Housing Group, which comprises representatives from the Council and partner RSL's and aims to match disabled applicants with properties which are already adapted. Improved matching over the last 3 years is one of the reasons that expenditure on Council house DFG's has fallen from £1,400,000 in 2009/10 to £850,000 in 2011/12.
- 3.13 Removal of the DFG regime would also give greater control over the management of adaptations, as they would no longer be subject to reporting through the national indicator PSR/002. However, should this be implemented, it is proposed that a local PI be developed to ensure continuous improvement.
- 3.14 The only perceived disadvantage at present is that Council house adaptations tend to progress more quickly, as there is no requirement for legal input to obtain certificate of title. The result of this is that the average timescale for delivery of Council house adaptations is shorter and this reduces the overall average timescales for PSR/002.

- 3.15 However, staff time freed up through the implementation of this proposal would allow for more focus on the owner occupied and private tenant applications in addition to the energy efficiency and empty homes projects cited above.
- 3.16 If the proposal to stop applying the DFG process to Council tenants is accepted, it is proposed that we exclude from this exemption those who have moved from owner occupation in to Council accommodation within the last 12 months. Therefore, all tenants who have been Council tenants for less than 12 months will still be required to apply for their adaptation via the DFG process and submit to a means test.
- 3.17 The reason for this is that these applicants are likely to have substantial resources due to the sale of their properties and should be expected to contribute. However, there are those who may not have resources due to repossession etc and these people will still benefit from the DFG following application of the means test.

4.00 RECOMMENDATIONS

- 4.01 That Cabinet approve the proposal to remove the DFG regime for Council tenants from 1st April 2013, excluding those that have moved from owner occupation in the 12 months prior to the date of their referral by an Occupational Therapist.

5.00 FINANCIAL IMPLICATIONS

- 5.01 A small amount of additional HRA Capital spend may result from this report. However, the majority of disabled adaptations relate to bathroom alterations. As this is an area where there is limited support available within the current 6 year Asset Management Strategy, this investment will help support future attainment of the Welsh Housing Quality Standard (WHQS).

6.00 ANTI POVERTY IMPACT

- 6.01 The Service protects some of the most vulnerable households in the County through the provision of grants for disabled adaptations. This proposal will provide easier access to financial assistance helping to alleviate poverty.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None arising as a result of this report.

8.00 EQUALITIES IMPACT

- 8.01 The Service provides for a wide range of people. An Equality impact Assessment has been undertaken on the Private Sector Housing

Renewal and Improvement Policy 2012, which identifies that no protected group is disadvantaged.

9.00 PERSONNEL IMPLICATIONS

9.01 None arising as a result of this report.

10.00 CONSULTATION REQUIRED

10.01 Consultation with Housing Overview & Scrutiny Committee

11.00 CONSULTATION UNDERTAKEN

11.01 Consultation with Housing Overview & Scrutiny Committee occurred on 23rd January 2013. The committee supported the proposal to remove the DFG regime for Council tenants from 1st April 2013, excluding those that have moved from owner occupation in the 12 months prior to their referral from an Occupational Therapist.

12.00 APPENDICES

12.01 None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS**

None.

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