

## COMMUNITY AND ENTERPRISE OVERVIEW AND SCRUTINY COMMITTEE

<b>Date of Meeting</b>	Wednesday, 27 June 2018
<b>Report Subject</b>	Disabled Facilities Grant Internal Audit Report 2017
<b>Cabinet Member</b>	Deputy Leader of the Council and Cabinet Member for Housing
<b>Report Author</b>	Chief Officer (Planning, Environment and Economy)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

The report summarises the findings of the 2017 Internal Audit Report into the operation of the Disabled Facilities Grant and the management responses being put in place to address these findings.

### RECOMMENDATIONS

1	That Members discuss the content of the Disabled Facilities Grants Internal Audit report and the service control action plan.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE DISABLED FACILITIES GRANT INTERNAL AUDIT REPORT</b>
1.01	A Disabled Facilities Grant (DFG) is a mandatory grant to help individuals living with a disability with the cost of adapting their homes to enable them to continue living at their residence with the maximum amount of independence. The administration of the DFG is performed by the Council's Regeneration team following a referral from an Occupational Therapist. The amount of the grant will depend on the cost of the approved works and, where applicable, an applicant's financial circumstances. A means test will be carried out on applications with the exception of child applicants and

	<p>where the adult applicant is in receipt of Council Tax Reduction and/or Housing Benefit. Depending on the outcome of this assessment, the amount of grant payable offered may vary from zero to 100 per cent of the cost. The maximum grant payable in Wales is £36,000.</p>
1.02	<p>An audit of the Disabled Facilities Grant was undertaken as part of the scheduled programme for 2016/2017. The brief for the audit included:</p> <ul style="list-style-type: none"> <li>• Compliance with relevant policies, procedures and regulations;</li> <li>• Administration of DFG scheme;</li> <li>• Third parties service level agreements and protocols; and</li> <li>• Performance monitoring.</li> </ul> <p>The audit was undertaken in autumn 2017.</p>
1.03	<p>The Internal Audit report is appended (Appendix 1). The audit concluded that an urgent system revision was required with key controls absent or rarely applied and, as a result, a limited (red) assurance level given.</p>
1.04	<p>The Audit report highlighted the following areas for further improvement:</p> <ul style="list-style-type: none"> <li>• Management oversight of the work completed by staff relating to the full end to end grant process is not undertaken. Additionally, there are limited controls to ensure contractors invited to tender are rotated under the current process;</li> <li>• Land charges are not always being placed against the property as per the Disabled Facilities Grant conditions. Also, there are limited controls to demonstrate the conditions of the Disabled Facilities Grant, Disabled Facilities Relocation Grant and the Disabled Facilities Top up loan are met;</li> <li>• The Private Sector Housing Renewal and Improvement policy was last reviewed in 2015. The policy is also not fully aligned to current practices in operation within the service;</li> <li>• A process has not been defined to deal with applications where the work amount exceeds the DFG statutory limit and falls below the minimum for the Disabled Facilities Discretionary Top up Loan;</li> <li>• Income eligibility amount for Child Tax Credit and Working Tax Credit within the DFG application form which is issued to assess the affordability of the application is out of date. Additionally, the privacy notices contained within the application form are not compliant with the current Data Protection Act and future General Data Protection Regulations (GDPR) requirements;</li> <li>• Documented procedures for the current DFG processes are not in place to assist new staff in dealing with the complex DFG process. Inconsistencies in process delivery have been identified through the testing;</li> <li>• Management information is not maintained to review contractor performance;</li> <li>• The DFG spreadsheet utilised to track application progress and budget spend is not complete and up to date. Also, the current national performance indicator utilised by the service to monitor performance of DFG delivery is not sufficient to assist with the identification of delivery issues;</li> <li>• Not all DFG Top Up Loan applications had been signed and dated;</li> </ul>

	<ul style="list-style-type: none"> <li>• Means test data is not always available to support the decline of a DFG application;</li> <li>• The Stannah Lift Services Framework Agreement was not available for review to demonstrate value for money;</li> <li>• Grant approval letters including grant amount and client contributions are not always being sent to the client.</li> </ul>
1.05	<p>In response to the findings of the audit, the service has developed a service control action plan to improve processes and controls (Appendix 2). The key areas for improvement include:</p> <ul style="list-style-type: none"> <li>• Closer management oversight of the DFG process and of compliance with established systems;</li> <li>• Introduction of monitoring systems to track the progress of DFG cases and the time taken to action each stage in the process;</li> <li>• Develop clear desk instruction for each stage of the DFG process to improve continuity during staff absences or when staff leave;</li> <li>• Fully implement the adaptations procurement framework and monitor job allocations to contractors, contractor compliance and costs;</li> <li>• Monitor customer satisfaction with the Council service and with contractors;</li> <li>• Update the published eligibility criteria for the DFG and associated loans and grants,</li> <li>• Update forms to ensure compliance with GDPR requirements;</li> <li>• Agree new procurement approach for lifting equipment.</li> </ul>
1.06	<p>The majority of the actions identified in the service control action plan are underway with systems developed although, in many cases, still in the early stages of use.</p>
1.07	<p>As an additional measure to ensure that there is adequate and urgent improvement to the delivery of the DFG a review board has been established with representation including:</p> <ul style="list-style-type: none"> <li>• Chief Executive;</li> <li>• Chief Officer (Planning, Environment and Economy);</li> <li>• Chief Officer (Housing and Assets);</li> <li>• Senior Manager Integrated Services, Lead Adults;</li> <li>• Operations Manager, Voids and DFGs (Housing);</li> <li>• Service Manager, Enterprise and Regeneration;</li> <li>• Internal Audit Manager;</li> <li>• Senior Auditor, Internal Audit</li> </ul>
1.08	<p>The DFG review board will meet monthly to review progress towards implementing the improvements to processes and controls and to the wider adaptations system in the Council. At this stage both Chief Officers will attend the board but, ultimately, the DFG area of work will be located within the Housing and Assets portfolio. It is anticipated that, in addition to addressing the findings of the audit report, the measures outlined above will also help to improve the timeliness of the DFG process.</p>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None directly arising from this report although the review processes outlined have the potential to deliver better value for money in the future.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	A risk register for the DFG programme has been develop and is appended. (Enclosure 3).

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Disabled Facilities Grant Internal Audit Report Appendix 2 – Service Control Action Plan Appendix 3 – Draft Risk Register

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None  <b>Contact Officer:</b> Niall Waller Service Manager (Enterprise and Regeneration) <b>Telephone:</b> 01352 702137 <b>E-mail:</b> niall.waller@flintshire.gov.uk

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Disabled Facilities Grant (DFG)</b> – a statutory grant of up to £36,000 to help individuals living with a disability with the cost of adapting their homes to enable them to continue living at their residence with the maximum amount of independence.  <b>DFG Top Up Loan</b> – a discretionary loan, secured against the value of the property, that can be issued to meet the costs of the DFG in excess of the £36,000 grant cap.  <b>Disabled Facilities Relocation Grant</b> – a discretionary grant of up to £20,000 to cover the costs of a disabled person’s move to a more appropriate property.  <b>Land Charges</b> – these allow the Council to register interest in a property so

	<p>that, should it be sold or transferred to another person, the Council has the ability, once the appropriate conditions are met, to reclaim the value of the charge.</p>
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