

Report of Head of Housing Support

Report to Director of Environment and Neighbourhoods

Date: 20th March 2014

Subject: Disabled Facilities Grants 2014/15 Capital Scheme Number 98040/000/000

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Disabled Facilities Grants (DFGs) are a mean tested mandatory grant for the provision of adaptations/other alterations that help disabled people to live independently in their own homes.
2. Statutory Housing Services (Health and Housing Service) manages DFGs for the Council. The grants are funded through government grant (£2.62m for 2014/15) that is supplemented by Council funds of £3.88m to give a definite DFG budget of £6.5m. The 2014/15 DFG programme will be augmented by contributions from housing associations of approximately £170k and £190k customer contributions – these values are based upon forecast income generation in 2013/14.
3. Home Improvement Agencies (HIAs) are third sector agencies that help disabled people to live independently through the provision of a range of adaptation related services. The Leeds HIA is Care and Repair.

Recommendations

1. Authorise the injection of £180k additional private sector contributions and expenditure of £6.86m to deliver the disabled facilities grant programme in 2014/15.
2. Approve the funding of the Care and Repair Home Improvement Agency and Handypersons Service at a value of £307k in 2014/15 from within this expenditure.

1. Purpose of the Report

- 1.1. To seek approval for the budget allocation of £6.86m, inclusive of £360k contributions from customers and housing associations for adaptation costs on housing association stock, to deliver Disabled Facilities Grants (DFGs) in 2014/15.
- 1.2. To seek approval to use the DFG budget to fund Leeds Care and Repair's Home Improvement Agency and Handypersons Service at a value of £307k in 2014/15.

2. Background Information

- 2.1. Disabled Facilities Grants (DFGs) are means tested mandatory grants that cover the cost of major adaptations/other property alterations to help disabled people live independently by creating accessible living environments. Disabled people, or whose family, are home-owners, private or housing association tenants are eligible to apply for DFGs. Adaptations for council tenants are funded through the Housing Revenue Account (HRA). Major adaptations are defined as costing over £1k with the maximum DFG grant being £30k. The £30k cap is potentially relaxed for disabled children with the additional cost being shared by Statutory Housing Services and Children's Services.
- 2.2. The legal framework relating to DFGs is set out in Part I of the 1996 Housing Grants Construction and Regeneration Act. In determining eligibility for a Disabled Facilities Grant, the local housing authority must be satisfied, under section 24 (3) of the Act, that the 'relevant works' are 'necessary and appropriate' to meet the needs of the disabled occupant and it is 'reasonable and practicable' to carry out the works having regard for the age and condition of the housing to which the works will be carried out. Section 24 (3) also obliges a local housing authority to 'consult' with the 'social services authority' in respect of assessing whether the 'relevant works' are 'necessary and appropriate' to meet the needs of the 'disabled occupant'. An Occupational Therapist, employed by Adult Social Care or Children's Services, determines whether adaptations are 'necessary and appropriate'.
- 2.3. Strategic Housing Services, through the Health and Housing Service, has overall responsibility for managing DFGs in Leeds City Council. Health and Housing surveyors determine whether adapting a disabled person's home is 'reasonable and practicable' by drawing up a scheme of works, where appropriate making planning applications, tendering the works to an approved set of contractors and then overseeing the works process to ensure they are carried out satisfactorily, to budget and deliver an accessible living environment for the disabled person. The Health and Housing Service is also responsible for confirming the disabled person's legal interest in the property to be adapted, their grant eligibility and payments to contractors.
- 2.4. Since 2008/08, the rules relating to the use of Disabled Facilities Grant have been relaxed to include any expenditure incurred under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002. Paragraph 3 of The Regulatory Reform Order states the following:

3. – (1) For the purpose of improving living conditions in their area, a local housing authority may provide, indirectly or directly, assistance to any person for the purpose of enabling him –

- (a) to acquire living accommodation (whether within or outside their area)
- (b) to adapt or improve living accommodation (whether by alteration, conversion or enlargement, by the installation of anything or injection of any substance, or otherwise)
- (c) to repair living accommodation
- (d) to demolish buildings comprising or including living accommodation
- (e) where buildings comprising or including living accommodation have been demolished, to construct buildings that comprise or include living accommodation.

2.5. The House of Commons Library briefing paper on Disabled Facilities Grants: www.parliament.uk/briefing-papers/SN03011.pdf (updated on 19 February 2013) states the following on page 16: **‘Creating greater flexibility will allow the DFG funding to be used for associated purposes, such as moving home,’** Using the Disabled Facilities Grant to pay relocation costs demonstrates the wide scope of the relaxation of the rules.

2.6. Since 2010/11, the Disabled Facilities Grant has been paid as a un-ring fenced capital payment through a determination under section 31 of the Local Government Act 2003. The House of Commons briefing paper states on page 16 **‘This means that DFG funding could be pooled with resources from a number of other programmes. It will then be for local authorities to determine, against local priorities, how best they use these resources’.** Again this demonstrates the broad remit that local authorities have in respect of using DFG funding.

2.7. **Home Improvement Agencies** - Home Improvement Agencies (HIAs) help disabled people make adaptations to properties that they own. Leeds Care and Repair is the local Home Improvement Agency. Leeds Care and Repair carry out Disabled Facilities Grant work closely mirroring that of Health and Housing (with the exception of making payments to contractors) by drawing up plans/schemes, making planning applications, tendering work with approved contractors and overseeing work completion. The Home Improvement Agency service cost of £140k was covered by DFG funding in 2013/14. Leeds Care and Repair also delivers a Handyperson’s Services: carrying out minor adaptations and home repairs to create an accessible and safe living environment. In 2013/14, the £167k cost of the service was picked up by Disabled Facilities Grant funding.

2.8. Leeds Care and Repair receives funding from a number of Council services and the NHS to deliver services for older and disabled people. A cross-service review is currently being carried out on Care and Repair commissioned services to determine whether the Council and the NHS are receiving best value for the investment. CPR 25.1 has been invoked to enter into the final year of the 2 (+1) year contract between the Council and Leeds Care and Repair for the Home Improvement Agency/Handyperson’s Service starting from 1 April 2014.

2.9. It is proposed that, given the full funding of the Home Improvement Agency/Handyperson’s Service is made through the DFG, the contract

management responsibility is transferred from Strategy and Commissioning, which will be part of the Public Health Directorate from April 2014, to Strategic Housing Services/Health and Housing Service.

- 2.10. **Personal Contributions** – DFGs are a mandatory but means-tested entitlement. Some disabled people will need to make a contribution to the cost of the adaptation work. The Council pays the contractor for the cost of the works and recovers the personal contribution from the customer.
- 2.11. **DFG and Housing Associations** – disabled people who live in housing association managed properties are eligible for DFG. The Council is not able to apply any condition, such as a housing association part covering the cost of adaptations, to the acceptance of a disabled person's DFG entitlement. The 2006 CLG good practice states that housing associations should seek to enter into arrangements with local authorities for joint funding; however, this does not equate to an obligation to do so. The Health and Housing Service has agreements in place with a number of local housing associations to part cover of adaptations on housing association stock. The majority of these agreements relate to housing associations directly paying contractors a proportion of the adaptation cost; which therefore results in reduced expenditure, rather than increased income, on DFG. Some housing associations have agreed to reimburse the Council a proportion of the cost of adaptations made on managed stock.

3. Main Issues

- 3.1. **Budget:** The Council has received a government allocation of £2.62m in 2014/15 to deliver Disabled Facilities Grants in 2013/14. It is intended to supplement the government allocation by £3.88m from Council capital funds to give a definite budget of £6.5m in 2014/15.
- 3.2. **Housing Association Income** – the majority of housing associations have an agreement with the Council whereby they pay contractors directly a proportion of the cost of works carried out or reimburse the Council a proportion of the payment made to the contractor. The former option result is reduced expenditure for the Council and the latter generates income that augments the definite DFG budget. Income of £170k is forecast to be generated in 2013/14 and this value has been set as the income target for 2014/15.
- 3.3. **Customer Contributions** – it is forecast that £190k customer contribution income will be generated in 2013/14 and this value has been set as the income target for 2014/15.
- 3.4. The above assumptions result in a gross DFG budget for 2013/14 of £6.86m.
- 3.5. **Health and Housing Service Cost** – there has been a long standing arrangement to cover staffing costs relating to the delivery of Disabled Facilities Grants Staffing costs for 2014/15 are £702k and will be automatically deducted from the £6.86m budget.

- 3.6. Leeds Care and Repair Home Improvement Agency and Handypersons Service** – It is proposed to maintain the existing £307k (£140k Home Improvement Agency/£167k Handyperson’s Service) funding to Care and Repair in 2014/15 whilst the service review is carried out.
- 3.7. It is proposed to make a provision of £349k to cover the cost of Occupational Therapists (OTs) who carry out the ‘necessary and appropriate’ assessment of adaptation need. This figure equates to the cost of 11 FTE OT and OT Assistant staff
- 3.8. These costs leave a net budget of £5.502m to cover the direct cost of Disabled Facilities Grants in 2014/15 or £5.851m excluding the provision for OT related staff – please see table at 4.4.3.

4. Corporate Considerations

4.1. Consultation and Engagement

- 4.1.1. No consultation has been carried out as such in relation to the setting of the DFG budget. Communication takes place with each prospective grant recipient in relation to the package of adaptations that they require to meet their accessibility need.

4.2. Equality Diversity Cohesion and Integration

- 4.2.1. Adaptations are designed to create an environment where disabled people are able to live independently and to exercise greater choice and control over their housing options. An equality, diversity, cohesion and integration screening exercise has been carried out and is appended to this report.

4.3. Council Policies and City Priorities

- 4.3.1. The delivery of adaptation services makes an important contribution to the strategic vision of making Leeds the best city for health and wellbeing and the priority of supporting more people to live safely in their own homes.

4.4. Resources and Value for Money

- 4.4.1. The arrangements for sourcing adaptations will change in 2014/15 with up to 50% of approved works sourced through Civic Enterprise. Civic Enterprise intends to use Construction Leeds as its principal contractor. The condition is that, other than the purchase of products and some works, the installation of adaptations will be carried out by Civic Enterprise. The remaining approved adaptations works will be sourced through external suppliers; with existing contracts extended pending competitive tendering taking place. It is assumed that efficiency savings can be generated to the existing contract arrangements with external suppliers.

4.4.2. A cross Council service review of Care and Repair services will be concluded in 2014/15 and this will determine whether value for money is being maximised through funded services.

4.4.3. Capital Funding and Cashflow

Previous total Authority to Spend on this scheme	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	0.0						
FURN & EQPT (5)	0.0						
FEES (6)	0.0						
OTHER COSTS (7)	0.0						
TOTALS	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Authority to Spend required for this Approval							
Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	5851.0			5851.0			
FURN & EQPT (5)	0.0						
FEES (6)	702.0			702.0			
OTHER COSTS (7)	307.0			307.0			
TOTALS	6860.0	0.0	0.0	6860.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)							
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017 on £000's
LCC Supported Borrowing	3877.5			3877.5			
Government Grant	2622.5			2622.5			
Housing Associations	170.0			170.0			
Private Sector Contributions	190.0			190.0			
Total Funding	6860.0	0.0	0.0	6860.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

5.

Parent Scheme Numbers: 98040/000/000

Revenue Implications: Any revenue implications will be dealt with from exiting budgets

5.1. Legal Implications, Access to Information and Call In

5.1.1. The proposals set out in this report reflect the provisions of Part I of the 1996 Housing Grants Construction and Regeneration Act and the Regulatory Reform (Housing Assistance) Order 2002.

5.1.2. The report contains no exempt information.

5.1.3. The report is eligible for call in.

5.2. Risk Management

5.2.1. The proposals set out in this report will enable the Council to fulfil its legal duties relating to the provision of Disabled Facilities Grant. The report also serves to support the work of Care and Repair and to the adaptation related provision of Home Improvement Assistance loans. There is sufficient funding to cover all these priorities. The Health and Housing Service has significant experience in delivering Disabled Facilities Grant and will ensure that there the budget is effectively managed and that disabled people receive assistance in a timely way.

6. Conclusion

6.1. The services to be funded through the DFG allocation all play a vital role in helping disabled people to live independently. All correspond with the terms of the Regulatory Reform (Housing Assistance) Order 2002 to help vulnerable to continue to live in their existing home through the provision of adaptations, improvements or repairs or to move to alternative suitable accommodation. There is sufficient budget provision to meet service demand and all proposed spend.

7. Recommendations

7.1 Authorise the injection of £180k additional private sector contributions and expenditure of £6.85m to deliver the disabled facilities grant programme in 2014/15.

7.2 Approve the funding of the Care and Repair Home Improvement Agency and handypersons service at a value of £307k in 2014/15 from within this expenditure.

8. Background

None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.