

Report of Head of Housing Support

Report to Director of Environment and Housing

Date: 15 July 2015

Subject: Disabled Facilities Grants 2015/16 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 (£2.958m) that is supplemented by Council funds of £3.742m to give a definite DFG budget of £6.7m. The 2015/16 DFG programme will be augmented by contributions from housing associations of approximately £180k customer contributions – this value is based upon actual income generation in 2014/15.
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

The Director of Environment and Housing is requested to :-

1. Authorise the injection of £180k additional private sector contributions and expenditure of £6.88m to deliver the disabled facilities grant programme in 2015/16.
2. Approve the funding of the Care and Repair Home Improvement Agency and Handypersons Service at a value of £260k in 2015/16 from within this expenditure.

1. Purpose of the Report

- 1.1. To seek approval for the budget allocation of £6.88m, inclusive of £180k contributions from customers and housing associations for adaptation costs on housing association stock, to deliver Disabled Facilities Grants (DFGs) in 2015/16.
- 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 £260k in 2015/16.

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. Housing Leeds – Housing Management and Support, 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 2008/09, 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:

Para 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. The Disabled Facilities Grant budget covers the cost of the contract that the Council has with Leeds Care and Repair to deliver the Home Improvement Agency. Leeds Care and Repair is asked to design and oversee the delivery of major adaptation schemes, through the use of its own contractors, when the applicant chooses to have a scheme that is different from the mandatory one drawn up by the Council – this could relate to a different design or contain additional works over and above what the Council has assessed are required. The DFG budget covers the cost of such schemes up to the value of the mandatory scheme and pays Leeds Care and Repair fees for carrying out this work. There is a risk that the Council is making duplicate payments by paying a contract value for the running of the Home Improvement Agency and fees for work that is carried out by the Home Improvement Agency. The contract value for the Home Improvement Agency for 2015/16 is £101k. The DFG budget also covers the cost of the Leeds Care and Repair Home Improvement Agency at a value of £159k in 2015/16. The aggregate contract value for the Home Improvement Agency and Handyperson’s Service is £260k.

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,

led by Strategy and Commissioning service in the Public Health Directorate, is currently being carried out.

- 2.9. **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.
- 2.10. **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 £2.958m to deliver Disabled Facilities Grants in 2015/16. It is intended to supplement the government allocation by £3.742m from Council capital funds to give a definite budget of £6.7m in 2015/16.
- 3.2. **Housing Association Income/ Customer Contributions** – 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 core budget. Some DFG applicants are not fully eligible for the means-tested grant and pay on either a lump sum or incremental basis. The forecast income from these two sources in 2015/16 is £180k based upon actual income generated in 2014/15.
- 3.3. The above assumptions result in a gross DFG budget for 2015/16 of £6.88m.
- 3.4. **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 2015/16 are £708k and will be automatically deducted from the £6.88m budget.

3.5. Leeds Care and Repair Home Improvement Agency and Handypersons Service – It is proposed to fund the two services at a cost of £260k.

3.6. It is proposed to make a provision of £200k to cover the cost of Occupational Therapist staff, within the Adult Social Care Directorate, which carry out the 'necessary and appropriate' test within the DFG assessment process.

3.7. These costs leave a net budget of £5.712m to cover the direct cost of Disabled Facilities Grants in 2015/16 – please see table at 4.4.2.

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. Adaptation works will either be delivered directly through Housing Leeds – Property and Contracts or by an approved external contractor.

4.4.2. Capital Funding and Cashflow

Authority to Spend required for this Approval	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LAND (1)	0.0						
CONSTRUCTION (3)	5712.0			5712.0			
FURN & EQPT (5)	0.0						
FEES (6)	908.0			908.0			
OTHER COSTS (7)	260.0			260.0			
TOTALS	6880.0	0.0	0.0	6880.0	0.0	0.0	0.0
Total overall Funding (As per latest Capital Programme)	TOTAL £000's	TO MARCH 2013 £000's	FORECAST				
			2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019 on £000's
LCC Supported Borrowing	3742.0			3742.0			
Government Grant	2958.0			2958.0			
Housing Associations	80.0			80.0			
Private Sector Contributions	100.0			100.0			
Total Funding	6880.0	0.0	0.0	6880.0	0.0	0.0	0.0
Balance / Shortfall =	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Parent Scheme Numbers: 98040/000/000

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

4.5. Legal Implications, Access to Information and Call In

4.5.1. 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.

4.5.2. The report contains no exempt information.

4.5.3. The report is eligible for call in.

4.6. Risk Management

4.6.1. 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.

5. Conclusion

- 5.1. 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.

6. Recommendations

The Director of Environment and Housing is requested to :-

- 7.1 Authorise the injection of £180k additional private sector contributions and expenditure of £6.88m to deliver the disabled facilities grant programme in 2015/16.
- 7.2 Approve the funding of the Care and Repair Home Improvement Agency and handypersons service at a value of £260k in 2015/16 from within this expenditure.

7. Background

None

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.