

Report of Health and Housing Manager

Report to Director of Resources and Housing

Date: 10th June 2019

Subject: Disabled Facilities Grants 2019/20

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 means tested mandatory grant for the provision of adaptations/other alterations that help disabled people to live independently in their own homes.
2. Housing Leeds (Health and Housing Service) manages DFGs for the Council. The grants are funded through a government funding allocation of **£7,302m**, a council capital contribution of **£1.069m** and customer/housing association contributions of **£300k** to make a gross budget of **£8,671m** in 2019/20.
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. Funding to Care and Repair in 2019/20 is **£194k**.

Recommendations

The Director of Resources and Housing is requested to:

1. Authorise the expenditure of **£8.671m** on the 2019/20 Disabled Facilities Grants programme
2. Approve the funding of the Care and Repair Home Improvement Agency and Handypersons Service at a value of **£194k** in 2019/20 from within the DFG budget.

1. Purpose of the Report

- 1.1. To authorise expenditure of **£8.671m** on Disabled Facilities Grants (DFGs) in 2019/20.
- 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 **£194k** in 2019/20.

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. The Regulatory Reform Order powers can be applied if a local authority has an approved Private Sector Housing Assistance Policy setting out how the Council intends to use the powers. The Leeds Private Sector Housing Assistance Policy was approved in February 2016 and includes assistance options such as adaptations, improvements to private sector housing and the Sanctuary scheme.

2.7. 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.

2.8. Since 2015/16 this broader eligibility criteria has been applied so that the DFG has been used to cover the cost of officers working on bringing empty homes back into use. .

2.9. **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. A review is currently underway as to whether there is any duplication in funding with the fixed contract value and the fee income generated through the HIA. The DFG budget also covers the cost of the Leeds Care and Repair Handy Person's Service. Both services are currently included within a tender of all Council commissioned Care and Repair services.

- 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 **£7.302m** and it is intended to supplement the government allocation by £1.069m from Council capital funds to give a definite budget of **£8,371m** in 2019/20.
- 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 **£300k** in 2019/20.
- 3.3. The above assumptions result in a gross DFG budget for 2019/20 of **£8,671m**.

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 2019/20 are **£816k** and will be automatically deducted from the 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 **£194k**.

3.6. **Occupational Therapists** - It is proposed to make a provision of **£204k** to cover the cost of Occupational Therapist staff within the Adult Social Care Directorate and **£215k** for the cost of Occupational Therapists in Children’s Services which carry out the ‘necessary and appropriate’ test within the DFG assessment process.

3.7. **Empty Homes** - It is proposed to use the budget to cover **£283k** of staffing costs relating to bringing Empty Homes back into use. This funding provision meets the capital spend criteria of ‘creating or enhancing an asset’ in respect of bring empty homes (the asset) back into use often with accompanying improvements to the properties initiated by the staff intervention.

3.8. **Sanctuary Scheme** - It is proposed to allocate **£50k** from the budget to cover the cost of non-council housing Sanctuary installations.

3.9. **Housing Inspectors** – it is intended to fund Private Sector Housing Inspectors to the value of **£204k**. The same principle applies as with the funding of Empty Homes staffing in that the staff are involved in the enhancement of an asset by bringing empty homes back into use with an accompanying improvement in property conditions.

3.10 Gypsy and Traveller costs – it is intended to cover staffing costs of **£33k** relating to the delivery of new sites for Gypsies and Travellers. The staffing costs can be capitalised on the basis that the work contributes to the delivery of new housing provision for Gypsies and Travellers. Housing provision for Gypsies and Travelers is specifically excluded from the Housing Revenue Account and therefore is eligible for DFG funding.

3.11 These costs leave a net budget of **£6.725m** to cover the direct cost of Disabled Facilities Grants in 2018/19 – please see table below and at 4.4.2. The government has applied a condition on the grant allocation (**£7.335m**) that it cannot be used for adaptations on council housing. No such condition applies to the budget from the Council’s own resources (**£1.069m**) and the housing association/customer contributions (**£300k**). The Council is facing significant financial pressure relating to expensive adaptation schemes (property extensions/other major property reconfigurations) where the failure to adapt would in all likelihood result in the disabled person going into residential care at considerable additional cost to the authority. It is therefore intended to pool the non-ring fenced elements of the DFG budget, with the council housing adaptation budget, to cover the cross tenure cost of expensive adaptation schemes.

Budget Area	Budget Cost
DFG Allocation	£7302k
Council Contribution	£1069k

HA/Customer Contribution	£300k
Gross Budget	£8671k
Health and Housing staffing	£816k
ASC OTs	£204k
Children's Service OTs	£215k
Sanctuary Scheme	£50k
Home Improvement Agency	£194k
Empty Homes Staffing	£283k
Housing Inspection	£204k
Gypsy and Travellers	£33k
Net Budget	£6672k

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 Best Council Plan

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

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. This a Key Decision and 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 Resources and Housing is requested to:

6.1 Authorise spend of **£8.671m** on Disabled Facilities Grant in 2019/20.

6.2 Approve the funding of the Care and Repair Home Improvement Agency and handypersons service at a value of £194k in 2019/20 from within the budget.

7. Background documents

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.