
**DISABLED FACILITIES GRANTS –
AMENDMENTS TO NATIONAL AND LOCAL POLICY**

**Responsible Cabinet Member – Councillor Bill Dixon, Housing Portfolio
Responsible Director – Cliff Brown, Director of Community Services**

SUMMARY

Purpose of the Report

1. The purpose of this report is to advise Members of national legislative changes to the provision of Disabled Facilities Grants (DFGs) and seeks approval for using new discretionary powers made available to the local authority.

Summary

2. From the 22 May 2008 the Government has introduced the following changes to the Disabled Facilities Grant programme:
 - (a) Councils can now place charges on adapted properties of owner-occupiers where the cost exceeds £5,000. The charge is limited to £10k and is only effective if the property is sold within ten years.
 - (b) The charge is discretionary and issues of hardship need to be taken into account.
 - (c) Registered Social Landlords are expected to build funding for adaptations into their business plans as part of their core activity.
 - (d) The maximum grant limit will be raised from £25,000 to £30,000.
 - (e) ‘Access to the garden’ will come under the scope of the DFG programme.
 - (f) DFG applicants claiming Council Tax Benefit, Housing Benefit and Working Tax Credit with an income under £15,050 will be passported through the means test.
 - (g) Working Tax Credit and Child Tax Credit payments will be disregarded as income and earnings.

Recommendations

3. It is recommended that:
 - (a) Members note the mandatory changes to the DFG programme as detailed in paragraph 12.
 - (b) The new discretionary powers to reclaim DFG's up to a maximum amount of £10,000 for work exceeding £5,000 be implemented.
 - (c) In exceptional circumstances where the repayment would cause significant financial hardship the Director of Community Services be authorised to approve exemptions.

Reasons

4. The recommendations are supported by the following reasons:
 - (a) There is a requirement for all local authorities providing DFG assistance to embrace and implement the mandatory changes.
 - (b) Adopting the discretionary powers will enable more local people to be provided with DFG assistance through the recycling of reclaimed DFG funding.
 - (c) There is continued annual pressure on the DFG budget and the future forecast predicts this to be maintained given future population projections and an increasingly elderly population.

Cliff Brown
Director of Community Services

Background Papers

- (i) Capital Medium Term Financial Plan 28 February 2008.
- (ii) Older Persons Housing Strategy 2007.
- (iii) Financial Assistance Policy 18 September 2007.
- (iv) Annual Housing Investment Programme 18 March 2008.

Alan Glew: Ext 734101
JW

S17 Crime and Disorder	Providing DFG financial assistance enables local vulnerable people to remain safe and secure in their homes despite changing needs with time.
Health and Well Being	The provision of DFG financial assistance extends the period of independent living for many local vulnerable people and reduces the incidence of hospital and care admissions. The provision of DFG financial assistance can act as a catalyst to facilitate early discharge from hospital or care.
Sustainability	The provision of DFG financial assistance can contribute to continued and diverse sustainability of local communities by supporting vulnerable people in their neighbourhood.
Diversity	DFG financial assistance is targeted at vulnerable local people on low incomes in the private sector.
Wards Affected	All
Groups Affected	Predominantly low income, elderly, disabled or those households who have a disabled resident.
Budget and Policy Framework	DFG funding is provided annually by Government Office for the North East (GONE) and in recent years this has been supported by Regional Housing Board allocations through SHIP2 and 3. The recycling of DFGs amounting to over £5,000 for properties sold within ten years, will allow further applications to be supported and reduce the financial exposure for the local authority.
Key Decision	This is a key decision
Urgent Decision	This is an urgent decision as the new legislation and discretionary powers were implemented on 22 May 2008.
One Darlington: Perfectly Placed	Implementing the DFG policy changes contributes to a number of key themes such as; Healthy, Aspiring, Safer and Prosperous Darlington.

MAIN REPORT

Information and Analysis

5. The Government has recently published its reforms to the Disabled Facilities Grants (DFG) programme. The package of changes launched by Communities and Local Government (CLG) on 25 February 2008, were a response to “A National Strategy for Housing in an Ageing Society” published on 8 May 2007. The reforms to the DFG programme were informed by a national review commissioned by the Government with Bristol University, which began in 2004 and produced a subsequent report published in 2005. Apart from the removal of means testing for adaptations relating to children, implemented as a priority, further recommendations for change have not emerged until now.
6. The distribution of DFG funding is currently based upon a formula, which draws on evidence of the English House Condition survey and this is not expected to change in the short term. The Government are, however, considering alternative distribution formulae and hope to introduce a new distribution policy from 2009/10 onwards. At present DFGs are provided on the basis that the Government’s funding contribution of 60% of the total cost of DFGs needs to be matched with a 40% contribution from the local authority. In the last two years Darlington has been successful in securing Single Housing Investment Programme (SHIP2) funding from the Regional Housing Board to finance the 40% local authority contribution for private housing. Confirmation of DFG funding through SHIP3 (2008-11) has been confirmed to continue this approach. Council house adaptations are funded entirely separately as part of the Housing Business Plan.
7. The National Strategy for an Ageing Society estimates that the numbers of older people in England will have doubled by 2026 and most older people will choose to remain in their current homes despite changing support needs with time. In order to facilitate this choice and ensure their homes remain suitable, safe and do not hinder quality of life, a more radical and flexible approach to DFG provision is required. Those applicants who qualify for mandatory DFG assistance will continue to do so and national allocations for DFG funding will increase by 31% in the next three years.
8. The ageing population presents a challenge in terms of housing policy, impacting directly on the provision of decent, affordable and appropriate housing for older people. As people become frailer due to age related conditions, particular housing issues arise and the physical and location characteristics of their home, coupled with the interface with care and support services available to them become more important.
9. The Housing Health and Safety Rating System (HHSRS), a risk assessment procedure for residential properties was introduced in April 2006 and replaced the Housing Fitness Regime. Previously, assessments were ‘property based’ and did not directly consider the effect a risk could possibly have on an occupant or visitor. The new system takes into account the possible effect that a risk could have on the most vulnerable person likely to inhabit or visit the property. The HHSRS assesses twenty-nine categories of housing hazard and these are then graded due to severity. Although any possible hazards can pose a risk to people of any age group, five are considered as a particular risk to those aged over 60 and three to those aged over 65. The provision of DFG assistance can mitigate many of the identified risks.

10. The Disability Discrimination Act (DDA) 1995 and 2005 sets out the minimum standards required to ensure the accessibility of people who exhibit mobility difficulties for residential dwellings. The provision of DFG financial assistance can assist in the delivery of many of these essential modifications to private residential properties to satisfy DDA requirements.
11. Locally more than 120 applicants are supported with DFG financial assistance each year with an investment of £500-£600k per annum. DFG applications are means tested and some applicants are required to contribute towards the cost of the adaptations. DFG works are procured from a list of preferred and approved contractors and the service is delivered on the Council's behalf locally by the Home Improvement Agency, Care and Repair (managed by Three Rivers Housing Association). Demand is growing continually leading to increasing budget pressures.

Proposal

12. The current package of changes, set out below, apply from 22 May 2008.
 - (a) Local authorities are now able to place charges on adapted properties of owner-occupiers, where the cost of the DFG exceeded £5,000. The charge will be limited to a maximum of £10,000 and is only effective if the property is sold within ten years. The current policy does not allow any DFG funding to be reclaimed back and recycled to support additional DFG work on the sale of the property. This change in policy will provide a useful additional funding stream to support further applicants eligible for DFG assistance. The CLG have advised that they intend to monitor the recycling of any reclaimed DFG payments so appropriate local monitoring procedures need to be adopted to conform to any requests for information from CLG.
 - (b) The maximum sum of mandatory grants has been raised from £25,000 to £30,000 to reflect the increasing complexity of works required and increasing construction costs. The £30,000 maximum DFG grant can still be supplemented locally with an additional £10,000 through a "top up" DFG loan through the Financial Assistance Policy for private home owners.
 - (c) Individual applicants will continue to be tested under the "test of resources" criteria which will passport applicants entitled and in receipt of council tax benefit, housing benefit and tax credit payments for DFG assistance. In addition, working tax credit and child tax credit will no longer be counted as "income" for the purposes of the "test of resources". This change should provide an opportunity for more applicants to qualify for DFG assistance. Further ongoing national work is expected to further refine the "test of resources" criteria and help streamline the application process.
 - (d) Adaptations for Council tenants will continue to be provided through individual local authority business plans while housing association providers will no longer be able to access financial assistance from the Housing Corporation to support DFG work in their properties. Housing associations will be encouraged to provide for DFGs within their own housing stock through their own business plans, and, to negotiate and agree tenure neutral common services with local authority partners.

- (e) New national funding is to be made available for handyperson services from 2009-11 to grow and deliver handyperson services providing a means of delivering responsive essential minor works. Evaluation of this new funding stream is expected in 2011 with the intention to integrate this into local area agreement mainstream funding. The review of DFGs and their ongoing provision is continuing, and, the results and evaluation of pilot programmes could be the catalyst for further changes in the future.

Outcome of Consultation

- 13. Consultation undertaken as part of the Older Person Housing Strategy supports independent living and choice. Most of the changes are resulting from legislative changes. Adopting the discretionary powers to reclaim DFG funding on sold properties and ring fencing it for further DFG applications, will align the local DFG policy with the current local policy in respect of large and small-scale grants.