



**Chester-le-Street**  
District Council

<b>Report to:</b>	Executive
<b>Date of Meeting:</b>	12th May 2008
<b>Report from:</b>	Chief Environmental Health Officer
<b>Title of Report:</b>	Changes to the Disabled Facilities Grants Programme.
<b>Agenda Item Number:</b>	10

## **1. PURPOSE AND SUMMARY**

- 1.1 The purpose of this report is to fully appraise Members of the changes to the Disabled Facilities Grants Regime (DFGs) recently introduced by the Government following a major review of the DFG programme.
- 1.2 The main changes to the DFG programme are detailed in Section 5 of this report and Members are asked to agree the following recommendations:
- (i) Note the report and the changes to the DFG programme.
  - (ii) Agree to amend and incorporate the changes into the Private Sector Housing Renewal Policy which was agreed by the Council on the 24th November 2005 and reviewed by Executive on the 1st October 2007.
  - (iii) Agree to place a charge against adapted properties of owner occupiers where the cost of the DFG exceeds £5,000 limited to a maximum charge of £10,000 with charges lasting for a maximum of 10 years.
  - (iv) Agree that the Director of Development Services has the discretion to waive a charge where the placement of a charge may cause hardship or where due to the sensitivities of a case a charge should be waived and that any appeal against the Director's decision to be determined by the Executive whose decision will be final.

## **2. CONSULTATION**

- 2.1 Consultation has taken place between the Principal Occupational Therapist at Durham County Social Services, the Council's Home Improvement Agency and the Chief Environmental Health Officer. All are agreed that the changes to the DFG programme will update and streamline the programme. This in turn will reduce the current bureaucratic nature of the DFG process and improve both the speed of delivery of the DFG process as well as allowing the Council to tailor the service to the individual needs of disabled clients.

## **3. TRANSITION PLAN AND PEOPLE AND PLACE PRIORITY**

- 3.1 Disabled Facilities Grants are mandatory and form an integral part of the Council's Private Sector Housing Renewal Policy which clearly linked to the Corporate Plan within the context of supporting the Council's Housing Strategy and its overall obligations as a Housing Authority. There are no implications for the People and Place priority as set out in Council's Transition Plan and neither will the changes to the DFG process result in any departure from the Council's existing policies in particular the Private Sector Housing Renewal Policy.

## **4. IMPLICATIONS**

### **4.1 Financial Implications and Value for Money Statement**

The maximum amount of grant available for a mandatory DFG has been increased from £25,000 to £30,000. This will help an increasing number of people for whom the current ceiling is not high enough to meet the full cost of the required adaptations as well as addressing the increased costs of carrying out the relevant works. Also because adaptations for children tend to be the most costly, increasing the DFG ceiling will have an immediate benefit for families with children. In practice very few DFG approvals in the Council's district exceed the maximum amount so it is not anticipated that this increase will have a detrimental effect on how quickly the Council's DFG budget is committed which in turn could lead to a shortfall in DFG funding during the financial year.

From April 2008 the 60:40 funding split for DFGs will be removed. Currently 60% of the funding for DFGs comes from the Specified Capital Grant with the Council being required to find the remaining 40% from it's own capital resources. The Council will now receive a DFG allocation without a specified requirement to match this funding. The allocation received for this financial year is £150,000 with a current bid of £85,000 being made to the Council's Capital Working Group which will be prioritised along with other bids as and when capital becomes

available. It should be stressed that the Department of Communities and Local Government (DCLG) in its communication, DFGs – The Package of Changes to Modernise the Programme, expect the Council to continue to contribute capital funding towards the total DFG allocation at least to the previous 40% level in order to deal adequately with local demand for DFGs. Given the importance of providing DFG adaptations the Council will be expected to continue to prioritise this high profile area of its work.

#### 4.2 Local Government Reorganisation Issues

There are no implications for local government reorganisation associated with this report.

#### 4.3 Legal

By virtue of the Housing Grants, Construction and Regeneration Act 1996, DFGs are mandatory with the proviso that the relevant works are necessary and appropriate to meet the needs of the disabled applicant and are supported by a referral from Durham County Council Social Services Department. In addition grants are assessed having regard to the statutory minimum standards necessary to meet the client's needs.

Subject to the agreement of Members a legal charge will be placed against the adapted properties of owner occupiers where the cost of DFG work exceeds £5,000 limited to a maximum charge of £10,000. This means that where the property is sold, or otherwise disposed of, the grant is repayable, subject to the above conditions. This charge will have the effect of allowing the DFG budget to go further in order to keep pace with the continued need for adaptations and will last for a maximum of 10 years. Provisions will be put in place where it is thought that the charge should be waived. (See Section 1.2 above.)

#### 4.4 Personnel

There are no implications for personnel.

#### 4.5 Other Services

There are no implications for other services.

#### 4.6 Diversity

Disabled Facilities Grants provide a key source of financial assistance for disabled and vulnerable people in order to help them maintain their independence. The new changes to the DFG programme will help support

this assistance and ensure that care needs are tailored accordingly to meet the individual needs of disabled clients by improving the speed of delivery of DFGs and generally streamlining the DFG process from application to approval.

#### 4.7 Risk

There are no risk implications in respect of this report.

#### 4.8 Crime and Disorder

There are no crime and disorder implications.

#### 4.9 Data Quality

Every care has been taken in the development of this report to ensure that the information and data used in its preparation are accurate, timely, consistent and comprehensive. The Council's Data Quality Policy has been fully complied with in producing this report.

#### 4.10 Other Implications

There are no other implications associated with this report.

### **5. BACKGROUND, POSITION STATEMENT AND OPTION APPRAISAL**

- 5.1 The Disabled Facilities Grants programme provides mandatory grants for housing adaptations and helps approximately 35,000 disabled and older people each year across all tenures to live independently. The programme has proved to be highly successful and consequently the Government has recognised that in order to build on this success the programme needs modernising to reflect the changes which have taken place since DFGs were first introduced in 1990. Demand is constantly increasing and currently children and adults with disabilities are waiting too long to be helped.

The main criticisms of the DFG programme relate to the complexity of the system, the bureaucratic nature of the process and the continued pressure on funding. This has a direct impact on DFG applicants in terms of speed of delivery or the way in which the Council can tailor the service to individual needs. The programme has therefore been updated and improved and the main changes to the DFG programme are as follows:

(i) Funding. Given the existing pressures on the DFG budget and in recognition of the important role that DFGs play in maintaining the independence of disabled and older people, the DFG budget has been

increased immediately by 20% taking the annual budget to £146 million in 2008-2009. This will increase to £156 million in 2009-2010 and to £166 million in 2010-2011. Over the next 3 years the total increase in funding is £45 million which represents an overall increase of 31% in funding to local authorities.

(ii) Maximum grant limit to be raised from £25,000 to £30,000. Details of this important change to the DFG programme are given in Section 4.1 above.

(iii) Changes to the Means Test. A number of changes have been made to speed up the DFG process and make it fairer. DFG applicants claiming Council Tax Benefit, Housing Benefit and Tax Credits for those on low incomes will no longer be required to provide any further financial information in addition to these benefits. Additionally in applying the DFG means test Working Tax Credit and Child Tax Credit will no longer be counted as income.

(iv) Property Charges. Details of the proposed changes regarding property charges are given in Section 4.3 above.

(v) Removal of the 60:40 Split. Full details of this are given in Section 4.1 above.

(vi) Transfer of Social Housing Grant Funding for Adaptations. This is the separate funding stream which the Housing Corporation uses to support the DFG budget for adaptations in social housing. The transfer of this part of the Social Housing Grant (SHG) which amounted to £1.5 million annually has now been agreed with the Housing Corporation and consolidated into the main DFG budget.

(vii) Relaxing the DFG Ring Fence. Ring fencing means that money allocated for DFGs must be spent on DFGs. Initially the ring fence will remain but from 2008/09 the scope for use of the DFG will be widened to support any LA expenditure incurred under the Regulatory Reform Order 2002. This will give local authorities greater flexibility to use specific DFG funding for wider purposes, which may be more appropriate for individuals than current DFG arrangements allow. e.g. recycling stairlift schemes. From 2010-2011 the ring fence will be removed which in effect means that DFG funding could be pooled with resources from other programmes allowing local authorities to determine against local priorities how best to target these funds.

It is intended that work will be ongoing to continue to modernise the DFG programme and make it even more effective in future years. Members will of course be kept fully informed of any further changes which take place.

## **6. RECOMMENDATIONS**

6.1 Members are asked to agree the following recommendations:

- (i) Note the report and the changes to the DFG programme.
- (ii) Agree to amend and incorporate the changes into the Private Sector Housing Renewal Policy which was agreed by the Council on the 24th November 2005 and reviewed by Executive on the 1st October 2007.
- (iii) Agree to place a charge against adapted properties of owner occupiers where the cost of the DFG exceeds £5,000 limited to a maximum charge of £10,000, with charges lasting for a maximum of 10 years.
- (iv) Agree that the Director of Development Services has the discretion to waive a charge where the placement of a charge may cause hardship or where due to the sensitivities of a case a charge should be waived and that any appeal against the Director's decision to be determined by the Executive whose decision will be final.

## **7. BACKGROUND PAPERS / DOCUMENTS REFERRED TO**

7.1 Department of Communities and Local Government: Disabled Facilities Grants – The Package of Changes to Modernise the Programme.

Disabled Facilities Grants Programme: The Governments Proposals to Improve Programme Delivery.

Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society.

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