

Briefing on the Government's response to their consultation paper - Disabled Facilities Grant Programme: The Government's Proposals to improve programme delivery

Introduction

In January 2004 the Government launched a major cross departmental review of the Disabled Facilities Grant (DFG) programme. Bristol University were commissioned to carry out an independent study of the DFG programme. The review identified a number of problems and challenges and made recommendations for improvement published in the Bristol Review in October 2005. Following this review, a consultation was held in 2007 about the Government's proposals to improve the DFG programme including: widening the scope of the grant, fast track small adaptation services, provide fair access across tenures and make the assistance more accessible.

The government received 253 responses to its consultation paper – Disabled Facilities Grant Programme: The Government's Proposals to Improve Programme Delivery and published a summary of these responses in August 2007. Following the publication of these responses, on the 25th February 2008, the government published two documents which outline the key measures it is taking to update the DFG programme.

The 'Disabled Facilities Grant – The Package of Changes to Modernise the Programme' sets out the Government's plans for change including: tackling the complexity of the system and the bureaucratic nature of the process, speeding up the delivery of a DFG and tailoring the service to individual needs. These plans can be downloaded from the CLG website at: <http://www.communities.gov.uk/publications/housing/modernisationchangespackage>. Chapter 6 of the Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society which can be downloaded at <http://www.communities.gov.uk/housingandolderpeople> provides more detail on the key measures to modernise the DFG. These include: increase in funding, raising the maximum grant limit, relaxing the ring-fence around the DFG, incorporation of Local Area Agreements and levying limited property changes.

This briefing note summarises these key measures. A separate paper to compliment this briefing note is currently being produced by the NHC on the whole of the Lifetime Homes, Lifetime Neighbourhoods: A National Strategy for Housing in an Ageing Society report.

Immediate improvements to the DFG programme

The case for investment in adaptations continues unabated. Research into the impact of the provision of housing adaptations demonstrates clear benefits in terms of improved quality of life and significant costs savings due to the preventative nature of the service which not only reduces hospital admissions but speeds up hospital discharge. Moreover, research also shows that the quality of life of recipients of adapted properties is also greatly enhanced including that of their carers and of family members. Despite the success of the DFG, the Government recognises that the programme is still in need of

improvement. The population is growing older and the number of people living with disabilities and chronic health conditions is rising, causing children and adults to wait too long for help and increasing pressure on the DFG budget.

In recognition of the important role the DFG plays in maintaining the independence of disabled and older people and children and due to the existing pressures on the DFG budget, DFG will be maintained as a mandatory grant the Government has increased national DFG funding by 20 per cent, taking the annual budget up to £146 million in 2008-09. This will enable more disabled people and people with mobility issues to continue to live independently in their own homes. By 2010, the DFG budget will be £166 million, a 31% increase. The NHC welcomes the move to significantly increase the DFG budget over the next three years as this will ease existing pressures on funding and ensure that DFG reaches more disabled and older people and maintaining their independence.

Changes being implemented from April 2008

The Government is implementing the following changes from April 2008:

- **Maximum grant limit to be raised** – The DFG ceiling will immediately be increased from £25,000 to £30,000. The NHC favours this move as it will help an increasing number of people with complex cases for which the current ceiling is not high enough to meet the full costs of the required adaptations. Furthermore, increasing the ceiling will have an immediate benefit to families with children because adaptations for children tend to be the most costly.
- **Improvements to the Means Test** - The Bristol report recognised that the DFG test has an adverse affect on those on low incomes. DFG applicants claiming Council Tax, Housing Benefits and Tax Credits for those on low incomes will be fast tracked through the means test as they will not be required to provide any further financial information in addition to these benefits. Working Tax Credit and Child Tax Credit no longer counts as income in the DFG means test. This change should directly help working families.
- **Property charges** – Due to the continued pressure on the DFG budget and the need to raise additional funds, introduction of limited property charges lasting a maximum of 10 years on adaptations that exceed £5,000 but limited to a maximum charge of £10,000. In all other respects local authorities will have complete discretion as to how they administer charges on adapted properties. Properties adapted for children are not exempt from the placement of charges. CLG will monitor the recycling of DFG funds following the introduction of charges.
- **Access to Garden** - The legislation has now been changed to make access to gardens a specific criterion for entitlement for the grant, where reasonable and practicable. The NHC widely supports this change to enable disabled people to enjoy access to their gardens.

- **Social Housing Grant** - The Housing Corporation has now agreed that Social Housing Grant funding for adaptations to transfer to DFG. Further work to be carried out with the Housing Corporation on the issue of providing adaptations to RSL owned properties.
- **Relaxing the ring-fence on the DFG** - One of the main criticisms of the DFG programme is the restrictive nature of the system. The Government's drive is to simplify processes and create more flexibility by bringing together different sources of funding. From April 2008, the DFG funding split of 60:40 will be abolished. Local authorities will receive a DFG allocation without a specified requirement to match this funding. The NHC strongly supports this move as it increases the flexibility of the DFG framework and will enable local authorities to deliver more responsive solutions.

As a first step towards removing the ring-fence itself, from 2008-09 the scope for use of the DFG will be widened. The NHC is pleased to see that the removal of the ring fence will be piloted in a number of different local authorities in April 2008 and run for 18 months and evaluated in terms of delivery of the DFG prior to full implementation. We have some concerns that there are many strapped-for-cash councils currently struggling to meet statutory requirements and removal of the ring fence could potentially lead to a diversion of resources away from spending on adaptations. The majority of the LAs participating in the pilot are in the North (Cumbria Council, Oldham and Sheffield). Following the evaluation of the pilots, a decision will be taken on allowing all LAs to access the Single Capital Pot for adaptations for council tenants.

- **Local Area Agreements (LAAs)** – The Government recognises that securing the best out of resources will be made more effective by the introduction of LAAs.

Ongoing work to improve the DFG – longer term changes

As well as the list of improvements set out above, other improvements will continue to be worked on by the Government. These are as follows:

- **Unring-fenced payment** - It is proposed that, from 2010-11, the DFG will be paid to LAs as part of the Single Capital Pot; an unring-fenced payment, through a determination under section 31 Local Government Act 2003 will be provided; it will then be for LAs to determine, against local priorities, how they best use these funds.. The benefit of this change is that DFG funding could be pooled with resources from a number of other programmes ensuring best use of funds.
- **Inequity of access to DFG between housing tenures** – The DFG framework and mandatory aspect of the grant applies across all tenures; however the main DFG budget cannot be used for the funding of adaptations to LA properties, an issue raised in the Bristol University

report. Whilst removal of the restrictions around the ring fence will create a level playing field in the funding of DFGs for all tenures, the funding of adaptations to LA tenants will be explored in more detail in particular, the funding arrangements for the provision of adaptations to LA tenants will be examined as part of the Government's overall review of the HRA subsidy system. Until the review is complete LAs are to continue to fund adaptations to their properties through the borrowing arrangements that currently exist within the HRA system.

- **Registered Social Landlords (RSLs)** - Joint guidance for RSLs on how adaptations are both funded and delivered will be issued shortly by CLG and the Housing Corporation and work with Government Offices to issue guidance at a local, regional and sub-regional level, on agreements with RSLs on finance and more strategic planning of accessible homes to address problems where RSLs fail to live up to the expectation placed on them as social landlords, that where appropriate, they should provide adaptations.
- **Further work on the means test** - Initial changes to the DFG means test will go some way to speeding up the process and alleviating some aspects of the test but the means test requires further attention to modernise and simplify the process. Further work will therefore be carried out over the next year on how the means test can be brought into line with the means test used for linked services. Linked to the means test, work will also be carried out to streamline the DFG application form including easier online access.
- **Distribution of DFG funds** - As part of the review of the DFG the current method used for the distribution of DFG funds to LAs will be examined. The Government is looking to move away from the current method by which the DFG budget is divided up between the regions. Options will be worked up over the coming months that will enable allocating of funds to be more responsive and more accurately project the need for DFG for children with disabilities with a view to establishing a new approach by the end of the year in order to inform DFG allocations from 2009-10 onwards.
- **Individual Budgets** – The DFG is one of six funding streams involved in the trial of the Individual Budget approach being tested in 13 LA pilots. A full evaluation of this approach and what it means for the DFG will be made in due course.
- **Choice Based Lettings schemes** – The Government wants LAs to adopt lettings approaches which give existing and aspiring social housing tenants more choice and control over where they live. CLG promoting the concept of Accessible Housing Registers and other good practice models to increase take up and is also encouraging LA improvements to information about accessible housing.

- **New national funding** - CLG to provide new national funding through the National Strategy for Housing in an Ageing Society for rapid repairs and minor adaptations from 2009, to enable an additional 125,000 older people per year to get help with minor adaptations and repairs when they need it.
- **Home Improvement Agencies (HIAs)** - Enhancement of the role of HIAs in delivering adaptations. CLG commissioning Foundations, the national co-ordinating body for HIAs, to undertake the 'Future HIA project' to develop a service which will offer more and better housing options and more sustainable services for all potential clients. Government wants to see HIAs developing as the 'hub' around which vulnerable clients exercise their choice about their home environment.
- **Rebadge the DFG to Accessible Homes Grant** - This proposal will not be taken forward at this time to alleviate concerns over rebranding costs. The government will revisit this area, linked into work on the DFG application form and means test.

Other

In addition to these measures to modernise the DFG, the Government is also taking steps to increase the supply of inclusive and adaptable housing in all sectors by ensuring that all public sector funding housing is built to Lifetime Homes Standards by 2011. Furthermore, the Government will work closely with developers, architects, planners and other professionals to encourage take-up and to establish the most economic way to deliver the benefits of Lifetime Home Standards. To incentivise highest quality design, the government will also introduce a new category in the annual Housing Design Awards which recognise excellence in inclusive design. The NHC supports the move as they will help drive improvements in the aesthetic quality of adaptations and interiors; currently there are too many homes adaptations and inclusive interiors that are unappealing and can devalue homes.

As well as the concept of lifetime homes, the Government is also undertaking work to develop the concept of the lifetime neighbourhood as part of the Governments Sustainable Communities agenda. The NHC supports the idea of the lifetime neighbourhood because it ensure that our future homes and neighbourhoods are fit not just for the increasing numbers of people with disabilities and dementia but for everyone, as it is underpinned by the principles of inclusive design, sustainability and participation.

The Government's measures to improve the delivery of the DFG programme including effective design and Individual Budgets will be explored further at our annual Housing Adaptations Conference on the 1st May 2008 at York Racecourse.

For more information on this paper or the Adaptations conference, please contact Helen Kerridge, Senior Policy and Research Officer on 0191 566 1026 or at: Helen.kerridge@northern-consortium.org.uk