



Disabled Facilities

Grant Programme:

*The Government's proposals to improve
programme delivery*

Consultation



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programme delivery*

Consultation

department for
education and skills
creating opportunity, releasing potential, achieving excellence

DWP Department for
Work and Pensions

(DH) Department
of Health

On 5th May 2006 the responsibilities of the Office of the Deputy Prime Minister (ODPM) transferred to the Department for Communities and Local Government

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Section 1: Introduction, summary of recommendations for change and the consultation process

Putting Disabled Facilities Grant (DFG) into context

1. We are living in an ageing society. In 2004 there were 11.6 million people aged under 16 in the UK, a decline of 2.6 million since 1971, 9.6 million are aged over 65, an increase of 2.2 million. This trend will continue and in particular the very old age groups are likely to increase most quickly. In the next twenty years the number of people aged 85 and over in England is set to increase by two-thirds, compared with a 10 per cent growth in overall population. Disability is most prevalent in the very old age groups. The 2003 English House Condition Survey revealed that 59 per cent of the 85+ cohort suffered from a long-term illness or disability. The independent Wanless Review of Social Care, carried out for the King's Fund, predicted that there would be an increase of over 50 per cent in the number of older people with a need for social care assistance of some kind.
2. Although the majority of elderly people are owner-occupiers, some of the poorest and most vulnerable live in rented accommodation or social housing. Therefore, whatever help is available must be equitable and fair.
3. The principal focus of this review is the need to provide support for older people. However, it is also important that the right help is available to meet the needs of disabled children and adults. Services must be designed and delivered to cater for needs across all age groups.
4. It is certain that there will be increasing pressures and demands on the current services. We are, however, committed to enabling people to live independently in their own homes for as long as they wish, and are able to do so.
5. All these pressures require a search for a housing policy which will be fair to people no matter what type of housing they live in; which will be affordable in terms of government resources; and which will genuinely meet individual needs as effectively as possible.
6. People must be able to count on the help from the housing, health and social care services working together to ensure that they can be safe, mobile and supported at home. This means the efficient provision of adaptations to meet a very wide range of needs in order to enable people to get the right help in order to maintain quality of life and independence.
7. Since the review of DFG started, and the publication of the Bristol University report on DFG in 2005, the Government has put in place a range of policy development initiatives in response to these wider challenges.
8. We are developing a cross government strategy on housing for an ageing society which will reflect these increasing demands and the need to build new homes which are flexible, adaptable and affordable. We are determined to ensure that the planned new supply of housing adequately meets the needs of older and disabled people. That is why we have decided to take forward lifetime homes, at least in the first

instance, through the Code for Sustainable Homes and why we are committed to a major programme of Extra Care Housing costing £376m between 2004-2008.

9. We are also intent on moving towards the provision of services which are focused on the individual rather than on the service provider. The Government has set up 13 pilots to test ways in which all the supporting services that older people need to stay independent, can be provided in a single budget. (The Individual Budget pilots)
10. The Government is also committed to improving the provision of community services and equipment to offer a more preventative, positive, helpful and speedy service. It is likely to involve more joined up services and new models of delivery. This is the subject of an intensive review within the Department of Health.
11. All these factors go towards making a policy which will meet the needs of the future, which is fair and affordable. This will form the basis of our policy submission going into the Comprehensive Review of Spending 2007 (CSR07).

The consultation process

12. This consultation paper aims to respond to the recommendations in the Bristol Report. It represents a first response which set in the longer term context, holds the possibilities of more radical change and improvement. The propositions we put forward here to improve the immediate provision and impact of the DFG are designed to address some of the short and medium term issues. We are looking to the outcome of the Individual Budget pilots to inform both the CSR07 and shape future policy.
13. You are invited to submit any comments or suggestions you have on these proposals by 13 April 2007. Please e-mail them to:

disabled.facilitiesgrants@communities.gsi.gov.uk

or send them by post to:

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14. A summary of responses to this consultation will be published by 6 July at the address below. <http://www.communities.gov.uk/index.asp?id=1152861>. Paper copies will be available on request.
15. Information provided in response to this consultation, including personal information, may be published or disclosed in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

16. If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.
17. The Department will process your personal data in accordance with the DPA and in the majority of circumstances; this will mean that your personal data will not be disclosed to third parties.
18. This consultation confirms to the criteria set out in the Code of Practice on Written Consultations. A summary of the Code is at Annex 1.

The DFG: addressing the issues

19. The DFG is a critical part of the range of provision available for the adaptation of homes for independent living. It is a particularly important part because:
 - it is a statutory entitlement;
 - it is flexible enough to offer help with both minor and major adaptations;
 - it provides specifically for housing, is primarily funded from housing budgets but sits alongside other funding sources; and
 - it represents a strong partnership between central and local government.
20. DFG has been administered from Communities and Local Government and its predecessor departments since 1990 when it was introduced. Before that the responsibility for arranging suitable housing adaptations for disabled people rested with social care providers.
21. Central Government funding on DFG has more than doubled since 1997 from £57million to £121 million this year. Local authorities also make significant contributions from their own resources to this programme so for 2006-07 a total capital expenditure of about £230 million will help about 40,000 disabled people with a variety of much needed adaptations to ease mobility and secure access to the basic facilities in their homes. This represents an average grant per applicant of £5,750.

Current problems with DFG: the purpose of the Review

22. The Government has been aware for some time that in certain respects the quality of the support available under the programme has been unsatisfactory. In January 2004 it commissioned a wide ranging interdepartmental review of the DFG to consider what changes were necessary and in that context commissioned an independent review of the programme from the University of Bristol.

23. The review was published in October 2005. At the same time the Welsh Assembly conducted a Review of how the DFG system operated in Wales. This report was published in May 2005.
24. These reports set out the problems and challenges facing the DFG programme. In summary they are:
 - a very high and increasing demand for the grant. This is because of:
 - the mandatory nature of the grant entitlement combined with a rapidly increasing age profile of the population. Over 70 per cent of DFG grants go to people aged over 60 and it is this section of the population which is likely to grow dramatically in the future; and
 - the increasing number of children with severe disabilities, including complex health conditions. Such cases currently account for under 10 per cent of the number of DFG applications but the average expenditure per case is higher than average. The removal of the means test for these cases will also have a significant resource effect.
 - the existing pressure on resources within the DFG programme which has meant that, despite the increases in Government funding for the programme since 1997, this has led to long waiting lists of grant applications in some areas;
 - the means test which is designed to channel assistance towards those most in need is poorly targeted and can be seen to treat particular groups harshly;
 - there are limitations to grant entitlement under the DFG programme because of the restricted purposes for which grant must be made available and because of the maximum limit. Although assistance may also be available from other social care and housing programmes to meet specialist needs this may not always be forthcoming and the multiplicity of support programmes adds to the complexity and confusion of the system;
 - this complexity is compounded because DFG is often operated independently of other social care and community equipment programmes;
 - entitlement to DFG applies across all housing tenures but the complexities of the various funding streams means that in practice inequities can occur and cause hardship and resentment; and
 - the service which is offered through DFG to disabled people is not normally widely publicised and the support available to help the applicant through the process is not always available.

The Objective of this Review

25. We took the immediate step of lifting the means tests on applications for grants to assist disabled children (implemented in December 2005).
26. We are now determined to modernise and simplify the DFG system so that it meets a number of key strategic objectives. These are that:
- disabled people should be placed firmly at the heart of the service. They must be fully involved in the process both by being able to express their needs and choices and by being kept fully informed of progress and of any difficulties which are encountered;
 - the grant is able to provide financial support for adaptations in a way which satisfies an increasing need as far as possible given the pressure on resources;
 - this should be achieved in the most equitable and flexible way to meet diverse needs but also so that those in greatest need receive the help most quickly;
 - the new system should be affordable to those who need assistance and administered in a sensitive and supportive way;
 - it should also be as closely integrated as possible with the other elements of social care which are necessary to enable independent living;
 - the system should be properly and strategically planned for at both regional and local level as part of an explicit programme to increase the accessibility of the housing stock; and
 - the help available should be widely publicised and easily accessible by those who need help.
27. All these changes have to be considered, therefore, not as short term solutions, but in a challenging, long term context in which housing provision for people with disabilities is provided more strategically and effectively.

Government proposals for changes to the DFG Programme

28. This consultation paper considers the recommendations of the Bristol Report in the context of other recent policy developments and sets out the Government's proposals to improve this important programme. A summary of the proposed changes are set out below. Annex 2 sets out in detail the recommendations of the Bristol report and our response to them. Annex 3 sets out the recommendations of the Welsh Assembly report.
29. The Bristol Report acknowledged the difficulties in meeting some of the need for change quickly. Some changes can be implemented now, whilst others can only be introduced should additional resources become available. There are some which will require changes to primary legislation and others which will need to be tested for practicality and benefit in the Individual Budget Pilots.

30. However, much can be done to improve the delivery of housing adaptations in the meantime through changes to secondary legislation, financial controls, organisational procedures and best practice. The aim is to strive towards a service which achieves the key objectives as set out above and which:
- is more strategic in terms of planning and providing for adaptations to the home; more joined up and integrated involving other key players at the regional and local level;
 - is simpler to access and where small and urgent grant applications can be fast tracked; and
 - has a wider coverage, pulls in more resources to meet increasing need, and meets more of the complex needs of disabled people.

A. Proposals which can be developed quickly:

31. **It is of primary importance that there should be no change to the mandatory nature of the grant available.**

Extending the scope: Meeting more needs

- a) Maximum limit of £25,000 to be increased immediately to £30,000. This will be subsequently reviewed with the aim of increasing to £50,000 in stages if the evidence shows that local authorities are realising sufficient offsetting savings through using the powers described in b) below.
- b) General Consent to be issued under secondary legislative powers to allow local authorities to reclaim DFG in certain cases when adapted property in owner occupation is sold, subject to safeguards and limits. A range of options on how this might work is suggested in the paper but in all cases there would be a minimum award of grant of at least £5,000 for which no repayment conditions could be attached.
- c) New Statutory Instrument to be made which would clarify that DFG is available as a mandatory entitlement to ensure disabled persons have access to the garden and other outside spaces included within the boundary of the dwelling.

Ensuring clearer priorities and strategy

- d) Issue new guidance to Regional Assemblies (RAs) to ensure that Regional Housing Strategies have a more explicit policy on adaptations as well as a more strategic and coherent approach to accessible housing. Disabled Facilities Grant would be rebadged and called Accessible Homes Grant to reflect this wider ambit. The mandatory entitlement of disabled people to support would be unaffected.
- e) This will be linked to new guidance to housing associations emphasizing the need for them to contribute towards the regional strategy on accessible housing and to reach local agreements with local authorities in relation to major housing adaptations with a view to sharing the cost.

- f) Provide additional flexibility for the use of the Communities and Local Government ring-fenced grant for DFG so that it can be used for associated purposes such as a grant which will enable clients to move home, if that is the best option, or for fast track systems to provide minor adaptations. Two options are proposed with resources being paid to local authorities using section 31 of the Local Government Act 2003. The options would be either to widen the scope of the existing ring-fenced grant so it could be used for additional purposes other than mandatory DFG, or to abolish the ring-fence and replace it with a targeted grant to support housing accessibility. The widening of the scope of the ring fence will be piloted first in the Individual Budget areas for 2007-08.

Faster delivery and simpler access:

- g) Encourage local authorities to build on best practice and use their new financial flexibilities and freedoms to develop fast track delivery systems to deliver urgent and small-scale adaptations. Further guidance on model delivery systems will be issued.
- h) Introduce a simplified application process for DFG through changes to secondary legislation.
- i) Promote new methods for procurement of adaptations equipment to reduce costs, eg through regional development centres.
- j) Pilot the increased use of Home Improvement Agencies (HIAs) in delivery of housing adaptations. Firstly, to provide a rapid response for the prevention of accidents and promote early release from hospital, (based on the system used in Wales). Secondly, to provide a full agency service for housing adaptations in county areas. Possibly as part of extended Link-Age Plus pilots.

Working towards integrated services

- k) Communities and Local Government will continue to work with DfES to consider how DFG could better meet the needs of disabled children and their families.
- l) The Government recognises the potential benefits of the re-designation of stair lifts as items of equipment to be provided by the Community Equipment Service rather than through DFGs. Communities and Local Government to work with DH to examine the financial and other implications of this change, taking account of the views expressed by local authorities and other stakeholders.
- m) Communities and Local Government will work with HMT/DWP/ etc to consider the scope for improved targeting of the DFG means test given available resources.

B. Proposals for longer term rationalisation of legislation and social care programmes:

- n) Disabled Facilities Grant to be an important part of the Individual Budgets Pilot programme with a Government commitment to explore how it can be more closely integrated into a new system for social care for older and disabled people, incorporating a more streamlined assessment of need, a transparent allocation of resources and greater flexibility and choice for those being supported.
- o) Review of legislation for providing housing adaptations and of organizational structures for delivery to await evaluation of the Individual Budget Pilots.
- p) The Government accepts there will be a need to consolidate the DFG and Care Services means tests – subject to successful evaluation of Individual Budget Pilots; a decision to roll-out Individual Budgets (IBs) nationally; and available resources.

Section 2: Background to the DFG Review, Joint Working, Individual Budgets and Means Test

32. The Bristol Report strongly recommended that a strengthened interdepartmental approach towards housing adaptations was urgently needed. This was, firstly, because of the important benefits which could accrue to health and social policies from an efficient housing adaptations service. Secondly, because DFG is not the sole policy providing help to disabled people to maintain independent living. There are overlapping powers and duties for both housing and social service authorities and this can give rise to confusion and inconsistencies in the levels of service provided. A more integrated service is therefore urgently needed to ensure that the service user receives appropriate help.
33. The Government fully accepts this recommendation. Since the preparation of the Bristol Report there have been some important policy changes to promote this more strategic approach across Government. In particular, following the publication of the Prime Minister's Strategy Unit Report, *Improving the Life Chances of Disabled People*, an Office for Disability Issues (ODI) has been established to co-ordinate disability issues across Whitehall and to oversee implementation of the recommendations in that report.
34. One of the relevant recommendations in the *Life Chances* report was to establish a series of pilot programmes which would develop Individual Budgets for disabled people combining a number of inter-related programmes from several departments.
35. Thirteen pilot sites have now been established throughout England and the DFG budget is one of the six funding streams included along with those of community care services, equipment and minor adaptations, the Independent Living Fund, Supporting People and Access to Work. The aim of Individual Budgets is to develop a more integrated approach to care provision allowing a much greater degree of flexibility in the type of care provided and in particular allowing the service user more choice and control over the nature of the service provided.
36. The DfES is scoping the potential for Individual Budgets for families with disabled children. It should also be noted that of the thirteen established pilot sites three are focussing on providing support to disabled young people at transition at age 18.
37. The pilots will last for up to two years and over this period will be carefully evaluated. If it is concluded that they are a success, consideration will be given to rolling this system out on a national basis.
38. In the longer term, therefore, the outcome of the Individual Budget pilots could have a profound effect on the way housing adaptations are delivered in terms of flexibility and choice. Communities and Local Government, DH and DWP are working towards a new integrated system for delivering community equipment and housing adaptations. The Individual Budget Pilots will be key in informing Government of the best way in which such a new system can be developed.

39. The legislative and organisational changes to the structures supporting the provision of housing adaptations will become clearer as the pilots progress. But it seems likely that there would need to be a consideration of the following:
- a review of the various legislative provisions for providing equipment and housing adaptations for disabled and older people. Changes to the primary legislation would almost certainly be required but it would be important not to dilute the mandatory entitlements for disabled people currently contained within the DFG legislation;
 - a review of the eligibility criteria for receiving assistance. The Bristol Report referred to the potential confusion and conflict between the assessment criteria used for Fair Access to Care under social care legislation for adults and the eligibility for DFG. This is a potential cause for confusion;
 - a consolidation of the two means tests used for providing capital grant assistance either under social services or housing powers. The Bristol Report recommended that the DFG means test should be replaced by one based on Fair Charging for Care Services. The Government accepts that consolidation would be necessary in the longer-term if IBs are successful and rolled-out nationally, and subject to available resources. Changes to the primary legislation would also be required; and
 - different funding models which would allow for greater flexibility as DFG is integrated with other funding schemes while keeping focus and purpose.
40. The development of Individual Budgets sets out a possible underlying vision for the delivery of housing adaptations in the longer term as part of an integrated system for providing care support. Support currently available through DFGs would become one element of a capital grant for equipment and adaptations within an integrated care package for older and disabled people. The other element of this package would be on-going revenue support for care services and housing related support. The integrated system would allow resources to be switched between these two primary elements and service users would have greater choice on how their care/support package would be assembled.
41. If these radical changes are made there will also be important implications for the structures of the delivery organisations. Any changes would need to be carefully considered to both maximise efficiency and to best utilise the staff currently delivering these services.
42. In the interim and until final decisions are made by the Government about the precise shape of this new system following the completion of the Individual Budget Pilots, there is a range of measures (some of which are recommended in the Bristol and Welsh Reports) to improve the delivery of housing adaptations through DFG. The remainder of this report sets out the Government's proposals on what these changes should be, taking into account the longer term vision for delivering these services as set out above.

Changes to the DFG means test

43. One of the principal recommendations of the Bristol Report was that DFG applications which relate to the needs of disabled children should not be subject to a means test. The Government accepted this recommendation and decided to implement it immediately. The exemption for disabled children was introduced from 31 December 2005.
44. The current DFG means test for all other applicants is based on the system previously used for the statutory renovation grant system which has now been repealed. This in turn was based on the means test used for Housing Benefit and Council Tax Benefit. It is different from the more recent means test 'Fairer Charging for Care', which is used to determine eligibility for most Department of Health social care programmes. The use of these two quite different means tests can lead to a range of policy inconsistencies. For example, an applicant could be assessed as eligible for a full DFG grant up to £25,000, but not qualify for any top-up assistance above that limit from social care. More generally, a disabled person could qualify for assistance under the DFG programme, but not be eligible for any assistance from social care, or vice versa.
45. There is a wide range of means tests in operation for different benefit systems and complete harmonisation is unrealistic. However, if following the evaluation of the Individual Budget Pilots (expected in 2008) a decision is taken to deliver a more integrated social care package including assistance with housing adaptations, consolidation of these two means test systems would seem logical, though any such change would require primary legislation and be subject to resource constraints.
46. In the meantime Government will continue to consider whether it would be practical or affordable to improve the means test and simplify the administration.
47. The main criticisms of the DFG means test are firstly, that it does not take account of actual housing costs. In comparing a household's income and expenditure commitments, it looks only at a standard average housing allowance for everyone. Because families' actual housing costs can vary enormously this averaging can cause severe hardship in individual cases, and particularly for a young family whose income may be relatively high but who may have just taken on a large mortgage commitment. Secondly, that because the DFG means test takes into account any earned income it can create a disincentive for a disabled adult to enter or remain in the labour market.
48. The Bristol Report set out a number of costed options for change to the means test which address these problems. The Government has examined these carefully and believes that the principal options for further consideration should be:
 - to disregard working tax credit and child tax credit as income to be taken into account;
 - to allow for either average or actual housing costs (whichever is the higher) to be taken into consideration when determining the financial position of any person subject to the means test; and
 - to disregard the first element of earned income with the amount depending on available resources.

49. A further option to simplify the DFG means test would be to increase the range of benefits which would entitle a DFG applicant to be passported through for maximum automatic assistance. Currently those on income support, job seekers allowance or pension guarantee credit are passported through in this way. This could be extended to include the other income related benefits which are used to assess eligibility for Warm Front grants which provide householders and tenants with assistance for improved heating and insulation, namely:
- Council Tax Benefit;
 - Housing Benefit;
 - Working Tax Credit with income of less than £15,050;
 - Child Tax Credit with an income of less than £15,050;
 - War Disablement Pension; and
 - Industrial Injuries Disablement Benefit.
50. Views are invited from consultees on which of these changes would be most beneficial and help those most urgently in need of assistance, bearing in mind that resources are limited.

Section 3: Government funding for DFG

51. Aside from the increasing pressures on resources, the problems identified in the Bristol Report and also documented by local authorities administering the grant are:
- the need for a higher priority and clearer criteria for the role of the grant in relation to housing adaptations and housing policy as a whole;
 - more integration into housing policy and increased support from Regional Assemblies;
 - greater fairness for people in different tenures; and
 - more flexibility in funding.

Background

52. The current Communities and Local Government's DFG budget (of £121m in 2006-07) is ring-fenced and can only be claimed by local authorities to cover 60 per cent of their expenditure on DFGs up to the limit of their annual allocation of Communities and Local Government's grant. The process of allocating the grant to authorities is in two stages. Communities and Local Government allocates the total budget to each region using a needs based formula derived from the English House Condition Survey which provides evidence of the number of disabled people on low incomes living in unsuitable and unadapted properties. An allowance is made for regional differences in the costs of providing a range of adaptations. The Government continues to be satisfied that this is the most reliable method of allocating these funds in relation to known need.
53. The Government Offices then allocate funds to individual local authorities in their region. They have complete discretion on what recommendations they make to the Minister but have regard to bids for funds made by each local authority (LA) and an independent indicator of need in each LA. This indicator is the number of people in receipt of either disability living allowance or attendance allowance.
54. The grant can only be used to defray costs of applications from owner occupiers and private renters including tenants from housing associations. It cannot be used to pay for adaptations to council housing stock which is financed from other council resources such as capital receipts or the Housing Revenue Account.
55. The Government feels that these present financing arrangements are far too rigid and restrictive. There is no particular logic for the 60/40 per cent split and the tight restrictions around the grant ring-fence prevent these resources being used for types of assistance outside the DFG mandatory entitlements but which in cost-benefit terms may be more effective in helping a disabled person. A clear example of this might be grant to assist a person to move to a more suitable property.

56. It is therefore proposed that the system of allocating funds for Disabled Facilities Grant should be changed by relaxing or abolishing the ring-fence system and by dispensing with the rigid formula that Government grant will finance only 60 per cent of LA expenditure. The underlying aim is to:
- make RAs more responsive and responsible;
 - pilot ways of integrating funding to expand the resource base – by either widening the purposes for which this finance can be defrayed or removing the ring fence and replacing it with a targeted grant; and
 - clarify the roles and responsibilities of housing associations.

Role of the Regional Assemblies

57. Firstly the Government agrees with the Bristol Report that a much greater role should be played by RAs in developing a clear strategy for accessible housing and housing adaptations as a whole. This should rest alongside their other key housing objectives as part of their Regional Housing Strategy. They should take a view of the needs in their region and balance the priority given to accessibility alongside achieving market balance through new supply and demolition as well as improvements to existing homes. It is therefore proposed that new guidance will be issued to RAs to ensure that this is achieved.
58. At the same time the Government is encouraging LAs to adopt a more strategic role in housing, working within regional and sub-regional partnerships, based on Housing Market Assessments and engaging with key stakeholders. The development of a local strategy for accessible housing, with housing associations playing a key role, should be an integral part of this work.
59. In this context the accessibility issues which the RAs and LAs would need to consider, in partnership with the main service providers in their areas, would not just be concerned with housing adaptations but extend to cover other issues such as:
- the requirement for new homes to be built to a Lifetime Homes Standard which is now proposed as part of the Code for Sustainable Building, in order to reduce the long-term cost of providing housing adaptations. Also the need to incorporate elements of the Lifetime Homes Standard into major refurbishment schemes in the social sector;
 - the role in adaptations to be played by Housing Associations in their region;
 - the need for disability housing registers to operate as part of or alongside choice based letting systems; and
 - the delivery of housing adaptations and the need if any for an integrated delivery service possibly operated through HIAs (see paragraphs 111-115).

60. To match this new strategic role, it is proposed that the RAs will be given greater discretion in recommending to ministers how their share of the available funding (currently £121m per annum) will be allocated to LAs to support their strategy for accessible housing and the policies to deliver this which have been developed by the individual LAs and any sub-regional partnerships. This budget for accessible housing can sit alongside or be combined with the similar capital budgets which the RAs currently allocate to local authorities for the improvement of private sector housing conditions. At present this funding is paid to local authorities using a determination made under the 1996 Act. It is now proposed that such funding will be paid to local authorities under section 31 of the Local Government Act 2003.

Two options to widen the DFG ring fence

61. In order to achieve this extra flexibility two options for the central government funding are proposed for consultation as follows:
- a) The ring-fence around the funding will be maintained, but its scope widened to support any LA expenditure incurred under the Regulatory Reform (Housing Assistance)(England and Wales)Order 2002 (the RRO). This would be in addition to expenditure incurred under the Housing Grants, Construction and Regeneration Act 1996 (the 1996 Act) for mandatory DFG. The RRO contains wide ranging discretionary powers which enable local authorities to provide financial assistance for home improvement, adaptations or a moving grant. Many LAs already use this power combined with other funding sources to top-up DFG expenditure. The proposed change would mean that the ring-fenced money previously only available for mandatory DFG could be used for these other purposes either to overcome any bureaucracy implicit in the statutory DFG procedures or to pay a moving grant if this was a better value option. LAs would still have to account to auditors on how this money had been spent and it would stay within the Housing policy sphere.
 - b) To provide a targeted grant to LAs. The grant will no longer be ring-fenced, but RAs will be in a position to monitor how the funds are spent by the authorities in relation to the outcomes to be achieved. This more flexible approach to providing funding for housing adaptations will also be more compatible with the new partnership working which is being developed through sub-regional partnerships, Local Area Agreements and IBs. However, it carries the risk that resources could leak away into other local priorities outside of housing. This risk is thought to be minimal as the mandatory requirement for delivering DFG remains with the LA.
62. The Government proposes to make a change to budget flexibility in two stages. Initially the 2007-08 grant will be paid to those authorities with Individual Budget Pilots using the wider ring fence as proposed under 61(a) above, but for other authorities the existing ring fenced DFG system will remain in place. Following an evaluation of the responses to this consultation and the new procedures operating in the Individual Budget pilot areas, a decision about which option to use for national roll-out will be made.

Change name to Accessible Homes Grant

63. To reflect this slightly wider scope for the use of Government funds it is also proposed that the grant to local authorities is re-badged as Accessible Homes Grant and that LAs should also consider using this name for the mandatory grant assistance they must offer under the 1996 Act. This new name would not require any legislative change as any reference to Disabled Facilities Grants was deleted from the 1996 Act when it was amended following the introduction of the RRO in 2002.

DFG and Housing Association (HAs) tenants

64. Since 1988 most HAs have been required to have self sustaining business plans. HA tenants have the same rights to apply for a DFG from the LA as private renting tenants and owner-occupiers. However, there is considerable evidence, highlighted by the Bristol Report, that HA tenants are not receiving the same access to or quality of service as other applicants for housing adaptations.

• Social Housing Grant (SHG)

65. The National Affordable Housing Programme (NAHP) allocates grant to provide housing for social rent and housing for low cost home ownership. Priorities for this expenditure are established by RAs which look at longer term needs and the broad evidence before making recommendations on short term grant funding decisions. The funding available during 2006-08 is £3.9billion, which represents a 15 per cent increase on the budget available for the 2004-06 programme.
66. SHG – part of the NAHP – provides HAs with funding for adaptations but it is not universally available. If the regional housing strategy includes provision for adaptations then money is available for the Housing Corporation (HC) to distribute to HAs. The size of SHG allocated for aids and adaptations has decreased from £3.1 million in 2004-05 to £1.7million in 2005-06 and the availability of this grant for HAs to use has been reduced. HAs involved in large scale voluntary transfers after March 1996 do not have access to this source of funding, and neither do HAs in regions where provision for adaptations was not included in the Regional Housing Strategy. However, some LAs request evidence that the HA does not have access to this fund, before proceeding with the DFG application and this can cause delays in the DFG application process.
67. The Government and the HC support the removal of this separate funding channel and propose that it is redistributed through the central DFG fund. This would simplify the sources of funding and application process for the HAs and help to give tenants access to a more efficient service.

• Large Scale Voluntary Transfers (LSVTs)

68. There are increasing numbers of HA tenants, placing extra demand on the DFG budget as a result of LSVTs. In some local authorities 60 per cent of DFG applications are from HA tenants. We have strengthened the guidance and approval procedures for LSVTs which require the approval of Communities and Local Government. This will ensure that the new housing landlord accepts an appropriate financial responsibility for the provision of housing adaptations.

- **Local Agreements**

69. HAs, as socially responsible landlords, should ensure as a principle of good business practice that their tenants receive the best possible adaptation service. The HC advise that whilst there is no statutory requirement on HAs to provide adaptations, 'As good social landlords the Corporation would expect HAs to provide their tenants with adaptations where required' (extract from the HC's Capital Funding Guide). This is especially so as disabled people make up a large proportion of their rental market. To this effect associations should include provision for adaptations in their business plans and ensure that their adaptation services are well publicised. HC and the National Housing Federation (NHF) advocate local agreements on adaptations, encouraging wider discussions on accessibility issues and planning for the future. These local agreements will take into account situations where the HAs contribution may be small and will not assume that they are able to fund everything, or in some cases anything.
70. The Government agrees that there should be a joint approach between housing associations and LAs towards the provision of adaptations for HA tenants and this should where possible include a sharing of the financial costs.
71. We do not believe that this can be satisfactorily achieved through a complex national formulaic approach. We would prefer to see local agreements within each LA area which are designed to implement the accessibility component of the regional housing strategy. The agreements should be an integral part of the local housing strategy and where appropriate set out the cross boundary working, essential for effective implementation. RAs will check how the local strategy fits within the overall regional approach on accessibility when allocating public funds for housing to both the local authorities and housing associations.
72. The benefits of an effective system for the delivery of minor adaptations by HAs for their tenants was highlighted in the recent publication by the College of Occupational Therapists and the HC (*Minor adaptations without delay*). The *Good Practice Guidance on Housing Adaptations* published by ODPM/DfES/DH in 2004, also pointed to the benefits to be gained from housing departments working across boundaries and with local delivery partners to provide an integrated adaptations service.
73. In order to simplify the funding sources and to assist local agreements we propose to:
 - remove the SHG funding for adaptations and pool with the central DFG fund, creating one source for major adaptations;
 - through the Housing Corporation's disability equality scheme, to provide guidance to associations on the outcomes they need to achieve to ensure disability equality for all their residents and this includes outcomes regarding the provision of accessible housing. To ensure that associations include a consideration of adaptations in their business plans and publicise their adaptation services, guidance will be provided to help them produce action plans that meet the outcomes set down by the Corporation;

- through the Audit Commission ensure that the provision of accessible housing is a feature of the inspection regime;
- issue the RAs with additional guidance to incorporate accessible housing into their regional housing strategy. RAs will be encouraged to check that local authorities are clear on the legal rights which HA tenants possess to qualify for DFG and the funding support they will receive from central government. RAs/GOs will be able to monitor RSL contributions to DFGs alongside central and local government funding; and
- encourage closer working between LAs and HAs, especially with regard to major works programmes and adaptation works that could be linked and delivered more cost effectively.

DFG and Local Authority tenants

74. LA tenants are statutorily entitled to assistance under the DFG programme but the present financial arrangements preclude the Communities and Local Government's ring-fenced fund being used for the provision of such adaptations for LA tenants. They are normally financed within the Housing Revenue Account or from other financial resources internally available to the LA.
75. With the proposed relaxation or removal of the ring-fence and greater discretion for LAs on how the funding for accessible housing is spent the Government does not consider any further changes are required to funding mechanisms to ensure that LA tenants receive an adaptations service of the same quality as that available to other households.

Disability Housing Registers

76. One of the key actions which can be taken by local housing authorities in partnership with local housing associations and private sector landlords, is to establish a disability housing register (DHR). The DHR attempts to match vacant accessible or adapted properties to disabled people in need of this type of housing. Under the new, more flexible funding system as described above any capital expenditure involved in the establishment of such schemes could be paid for from the new accessible homes grant.
77. The Government strongly supports the establishment of choice based letting (CBL) systems as the preferred allocation method for social housing. Under a CBL approach, people are able to 'bid' for available vacancies which are openly advertised. It is perfectly possible for a DHR to operate side-by-side or as part of a CBL approach. For example, where a DHR allows home seekers to see the full range of accessible properties, this can assist then in determining whether to apply for a particular vacancy which is advertised.

Section 4: Reforming the DFG: greater fairness and flexibility

78. **The main problems documented in the Bristol Report were:**

- **the maximum grant limit is too low to be fair to those families who needed expensive adaptations-particularly extensions-costing above £25,000 – usually for highly disabled children and adults with complex disabilities;**
- **increasing demands and increasing costs, especially for major adaptations; and**
- **the definition of what could be funded through DFG was too narrow to meet the needs of many children and adults.**

Background

79. DFG is a mandatory entitlement for eligible disabled people in all housing tenures. It requires LAs to provide grants for certain adaptations to eligible disabled applicants within specific time limits. These entitlements are prescribed in primary legislation. There is a maximum grant limit, but there is no bar to the number of successive applications that can be made as needs change. Applicants are subject to a means test, the basic structure of which is set out in primary legislation, with the details contained in secondary legislation.
80. The Government believes that there should be no basic weakening of the mandatory nature of the assistance under DFG. At the same time a realistic view must be taken about what the Government is able to afford under this programme, given the likely increasing demands arising from a rapidly ageing population, increasing numbers of disabled children with complex needs and the existing backlog of demands within the current system. Also given the level of equity available in the homes of owner-occupiers a careful balance needs to be struck between the forms of financial assistance that are provided. A simple one-off capital grant to cover the full cost of the required adaptations may not always be appropriate in every case.

The maximum limit to DFG

81. The current maximum grant in England is £25,000 less any assessed contribution which the DFG applicant has to pay. This is set by secondary legislation. The limit in Wales is £30,000 and is set at the discretion of the Welsh Assembly. The Bristol Report recommended the limit in England should be increased to £50,000.
82. Most grants awarded under DFG are much smaller than the maximum limit. The average DFG grant in 2004-05 was approximately £5,750. However, a small number of much larger adaptations are assessed as being needed and these will cost well over the current £25,000. Considerable hardship is therefore faced by families who need to find the additional resource and some LAs are not always willing to make these extra funds available.

83. The Government therefore believes that the limit should be raised substantially. The extra burden on the DFG budgets will not be great as many authorities already pay above the maximum limit using their discretionary or social service powers. The Bristol Report estimated the cost increase would be £4m per annum to raise the limit to £30,000 and £13m per annum to £50,000. It is anticipated that the extra finance for this change will be provided by the proposal in this paper (see below) that in certain cases the DFG grant awarded should be repaid when the house is sold. It is therefore proposed that the grant limit is raised in stages towards £50,000 with an immediate change to £30,000. Further increases will be dependent on evidence showing local authorities are realising sufficient resources through the new power to recoup grant to offset the costs.

Property charges to secure the repayment of DFG in certain cases

84. The Government takes the view that in certain, specific circumstances, it would be reasonable and cost effective for DFG applicants to be required to repay a DFG grant when the adapted property is sold. This is already a common form of assistance being used by local authorities who provide help for home repairs using RRO powers. It is therefore proposed that a new general consent is issued under section 52 and 94 of the 1996 Act which would give local authorities the discretion to impose charges in such cases if they think it appropriate.

Example of existing use of a charge system by a local authority

A local authority in the North West offers 'Home Repairs Assistance' as a discretionary form of grant assistance for owner-occupiers aged 60 or over, with a maximum limit of £5,000, for essential qualifying works only. The grant is only available to vulnerable people aged 60 or over, who have lived in the property for 3 years or more and are in receipt of one of the major means tested or disability related benefits.

This grant also has conditions attached, that on completion of the grant, a charge will be placed upon the property and if it is sold within 10 years, the whole amount of the grant will be repaid back to the Council. The grant can be awarded to eliminate danger, including electrical, gas and structural safety. Replacement/repairs of windows/doors where their condition is allowing water to penetrate into the property will also be considered.

85. The Government's view is that the maximum charge which could be placed on a property should be limited and invites views on how this should operate. It proposes three possibilities but in every option at least the first £5,000 of any grant should be exempt from any repayment conditions.
86. The three options are that:
- a) the charge should apply to the portion of any grant above £5,000 but be limited to a maximum charge of £10,000;
 - b) the charge should apply to the portion of any grant above £10,000 but limited to 80 per cent of the total grant awarded; or
 - c) the charge should apply to any portion of a grant above £10,000 but be limited to a maximum charge of £10,000.

87. All cases would be subject to further safeguards to ensure that it did not create hardship and it is proposed that these should include:
- only applying where the disabled person, who was the relevant person for the purposes of the means test, also owned the property;
 - the charge lasting for a maximum of 10 years;
 - provisions to exempt from the charge applicants who had to move to alternative accommodation in the private sector for a variety of personal reasons; and
 - not applying to applications concerning adaptations for disabled children.
88. An advantage of this approach is that it will help create a significant stream of receipts to ease the financial burden falling on authorities as a result of this programme. The choice of option as set out above would affect the level of receipts generated. Option One is likely to produce the highest level of receipt and option three the lowest. It would give local authorities the flexibility to impose the charge only in appropriate cases. The GOs, when deciding the LAs funding allocations from Government, would give consideration to the extent to which authorities were sensibly utilising this power.

Broadening the range of adaptations which qualify for DFG

89. The Bristol Report called for a significant widening of the range of housing adaptations which could be catered for under the mandatory element of disabled facilities grant. The present range of needs which can be addressed under the mandatory DFG legislation are set out in section 23(1) of the 1996 Act. They focus on the need to facilitate access for the disabled person to the dwelling and the basic facilities within it. Section 23(1)(b) refers to the need to make the building safe for the disabled person or others in the household so that the grant can be used to assist in some cases where the disabled person is suffering from complex behavioural disorders.
90. The Bristol Report strongly supported a widening of the purposes for which DFG must be given with reference to the needs of disabled children to promote family life. This might be through more space to meet the needs of the disabled child for play, development, education and social contact or space for storage of equipment and privacy for other family members. Scope exists for this to be done as section 23 gives the Secretary of State an Order making power to include a range of such other purposes.
91. Communities and Local Government will continue to work with DfES to consider how DFG could better meet the needs of disabled children and their families.
92. A further suggested widening of the scope of DFG recommended by Bristol was to clarify that DFG was a mandatory entitlement to ensure that a disabled occupant has access to the garden and other outside areas beyond the living accommodation. Although the garden is defined by the relevant housing legislation as part of the dwelling, facilitating access to the garden is not one of the specific purposes for which a grant must be approved. The Government agrees that this omission should be

rectified as safe access to a garden/external areas is of great benefit to many disabled people. Such an amendment will therefore be made by making an Order under section 23(1)(l) of the 1996 Act as soon as possible.

93. The Bristol Report also recommended a widening of the scope of DFG so that adaptations must be made to facilitate a disabled person working from home. The Government's view is that this should be encouraged wherever possible and the Access to Work Programme operated through the Department for Work and Pensions already can be used for adaptations to make work possible and each application for Access to Work is looked at on its own merits. An amendment to the DFG provisions is not therefore required.

Section 5. Issues concerning the delivery of housing adaptations

94. **The problems identified in the Bristol Report are:**

- **delays in processing applications and delivering the adaptations;**
- **excessive bureaucracy; and**
- **complexity in procedures which reduces access.**

95. Both the Bristol Report and the study for the Welsh Assembly highlighted the long delays in the provision of housing adaptations under the DFG process. Delays of one to two years are common in some areas, even for basic adaptations such as stair lifts and level access showers and the Government believes that these are quite unacceptable.

96. The reasons for these long delays are not clear, particularly as they do not seem to occur in all areas. Partly they are a result of under-funding of the programme at all levels, but another reason often given is a shortage of staff either within the housing or social service departments. Also, it is argued that delays are due to the complexities in the unnecessary bureaucracy caused by the prescribed application process for the mandatory grant entitlement.

97. This chapter therefore addresses what can be done to speed up the delivery process, particularly for the smaller and often more straightforward cases. For the purposes of this analysis the funding problems in the system have been set to one side.

98. Solutions to these delays have already been found by a number of authorities who have developed innovative ways of speeding up delivery. The Government's Good Practice Guide 2004 draws heavily on these examples. The proposals in this section are therefore largely a reaffirmation of what can be achieved through better working practices, but where rigidities exist in the legislative and central regulatory framework these are also addressed.

Fast track systems

99. The new, more flexible financial arrangements for DFG outlined in section 3 above will allow local authorities to use the available funds for accessible housing to exercise their discretionary powers under the RRO. Financial assistance can take any form, grant or loan. In this way authorities will, if necessary, be able to develop new ways of providing assistance to disabled people which will avoid some of the potential bureaucracy and delay of utilising the mandatory DFG delivery route.

100. The authority must be aware that by making a payment under the RRO, they will remain liable to make a mandatory grant under the 1996 Act if further works are necessary or appropriate to achieve the purposes set out in that Act. It must be made clear to any applicants for assistance under the RRO if DFG is still available in their case and if so it must be paid within the statutory time limits set down in legislation.

101. Such a fast track system could, for example, be used to help deliver quickly small adaptations, or assistance with a modified means test or above the maximum limit. The RRO powers also allow a relocation grant to be paid to help someone move to a home which is already more accessible or could be made so more easily. The assistance can be provided through a third party so, for example, a District Housing Authority could provide funding through a County Council or a Home Improvement Agency.

Simplifying existing procedures for DFG

102. Even if it is still decided to employ the formal DFG grant procedures there is considerable scope to speed up the delivery of grants. The Good Practice Guide 2004 sets out how an efficient delivery system for housing adaptations should be designed and emphasises the need for maximum integration and cooperation between the various specialists and agencies involved. It sets out a range of possible time targets for how long each part of the process for delivering adaptations should take.

103. Within the legal framework for delivering mandatory DFGs some of the possible avenues available for speeding up the process are:

- a) The legislation says that any application form for DFG must contain two estimates of the cost of works (unless the authority otherwise direct in any particular case). This provision gives the authority discretion to waive this requirement and allows the possibility of developing standard schedules of work for particular straightforward cases and for authorities to have contractors available to provide the adaptations when required at fixed costs.
- b) A further possibility for reducing delays and for reducing adaptations costs is for a region or local authorities to combine to negotiate procurement contracts with equipment suppliers at reduced cost. Communities and Local Government has agreed to consider funding for further research into the feasibility of achieving economies of scale by developing national procurement contracts for adaptations equipment.
- c) The DFG legislation does not specify that an occupational therapist needs to be used in every case to assess needs. Recent advice from the College of Occupational Therapists (Minor adaptations without delay: A practical guide and technical specifications for housing associations) has emphasised this point. Private occupational therapists can be used and the cost of their services be charged to grant, or specialists can be recruited directly by the housing authority. Whichever route is chosen the Government does not accept that a shortage of occupational therapists within a LA's social services department is a valid reason for any delay in delivering housing adaptations.

104. A further barrier preventing rapid access to DFGs is the complexity of the application form and the rigid manner in which it is prescribed by secondary legislation. However, completion of the official DFG application form is important because receipt of that completed form by the LA triggers the statutory six month time limit that the authority has for processing the application and notifying the applicant of the decision to award the grant.

105. The Government therefore proposes to consult with the Local Government Association (LGA) on a new simplified DFG application form which can be accessed on line and completed much more quickly by potential applicants.
106. Working closely with LGA representatives, we will issue further guidance to local authorities setting out a series of model delivery systems to speed up the delivery of housing adaptations.

Redesignation of stair lifts as equipment

107. The Bristol Report recommended that the responsibility for supplying under DFG should transfer to the Community Equipment Service (CES).
108. This proposal would allow stair lifts to be loaned and maintained by the CES. Under the Community Care (Delayed Discharges etc) Act 2003 community care equipment and minor adaptations costing less than £1000 must be provided free of charge. Provision of a stair lift could reasonably be regarded as a minor adaptation and installation and maintenance would in almost every case cost more than £1,000. Therefore the CES would be able to apply a set of appropriate charges for the provision of stair lifts in accordance with the means test provisions as set out in Fairer Charging for Care Services.
109. One benefit of this change would be to increase the opportunity for recycling equipment no longer needed by the client, resulting in a faster and more efficient service. It could also allow the CES to negotiate cheaper bulk purchase contracts than may be possible by individual disabled people tendering for individual pieces of equipment.
110. The Government recognises the potential benefits of this change. However, before a final decision is taken, there would need to be very careful analysis of the financial implications involved, as well as taking account of the views of all those consulted.

Organising the adaptations delivery service

111. Some of the worst problems with delivery of housing adaptations exist when the service is fragmented either between the housing and social service departments of a single LA or where in county/district areas responsibility is divided between the two tiers.
112. There is therefore considerable advantage in a unified service and this has been achieved in some authorities. The guidance from the College of Occupational therapists provides examples of good practice, where the Community Equipment Service supplying equipment and minor adaptations and the housing adaptations service have been brought together. In the long term, the level of integration being sought through the Individual Budget Pilots goes even further by securing a closer integration with mainstream social care provision.

113. In addition, there is a need for a pro-active service which seeks to prevent accidents and mishaps in the home and rapidly deals with inaccessible housing and the need for quick discharge of disabled people from hospital. There is also scope to link this in with the DH's prevention technology grant arrangements where telecare is installed as part of a package of care and support. In Wales, the Welsh Assembly have established a rapid response programme to secure these twin objectives. This operates alongside the full housing adaptations service delivered by local authorities and operates directly through the network of HIAs and co-ordinated by the Care and Repair Cymru.
114. A similar system of HIAs exists in England although geographical coverage is slightly less than 100 per cent. The Government takes the view that HIAs in England have a very important role to play in the provision of Housing Adaptations and would like to see their role boosted to encourage 100 per cent national coverage similar to that in Wales. It therefore proposes to discuss how this enhanced role can be developed with the national Co-ordinating Body for HIAs in England. Two possible initiatives for how this can be achieved are:
- a) Firstly, in county areas where there is a two tier structure of Local Government to explore the scope for HIAs to take over the full housing adaptations service from the local authorities on an agency basis in order to improve co-ordination and speed of delivery. This would probably involve secondment of key personnel from the authorities into an enhanced agency.
 - b) Secondly to consider the roll-out of a rapid response adaptations programme on a similar basis to that which exists in Wales. This would require considerable extra funding if it were to parallel the Welsh model of at least £15 million per annum and would depend on the availability of extra resources.
115. The Government will consider with the HIA Co-ordinating Body the best way to proceed. It may be preferable to invite RAs to establish pilots in each of their areas of either one or both of these approaches to evaluate their success. It may be possible to incorporate such pilots within the new Link-Age plus pilot schemes which are being taken forward with the Department of Work and Pensions in the lead and consideration will be given to this following consultation.

Annex 1

The consultation criteria

The Government has adopted a code of practice on consultations. The criteria below apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation.

Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (eg under European Community Law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless Ministers conclude that exceptional circumstances require a departure.

- 1. Consult widely throughout the process, allowing a minimum of 12 weeks for written consultation at least once during the development of the policy.**
- 2. Be clear about what your proposals are, who may be affected, what questions are being asked and the timescale for responses.**
- 3. Ensure that your consultation is clear, concise and widely accessible.**
- 4. Give feedback regarding the responses received and how the consultation process influenced the policy.**
- 5. Monitor your department's effectiveness at consultation, including through the use of a designated consultation co-ordinator.**
- 6. Ensure your consultation follows better regulation best practice, including carrying out a Regulatory Impact Assessment if appropriate.**

The full consultation code may be viewed at
www.cabinet-office.gov.uk/regulation/consultation/code/

Are you satisfied that this consultation has followed these criteria? If not, or you have any other observations about ways of improving the consultation process please contact

Albert Joyce,
Communities and Local Government's Consultation Co-ordinator,
Zone 6/H10,
Eland House, Bressenden Place, London SW1E 5DU
or by e-mail to:
albert.joyce@communities.gsi.gov.uk

Annex 2

Government Proposals for change compared with recommendations of the report by Bristol University.

Bristol Recommendations	Government's proposed response
<p>1. The Mandatory DFG to be retained.</p> <p>2. The ring-fenced budget to be retained, but with greater flexibility so that it may be used for matters beyond the mandatory items for example, towards relocation costs when relocation is preferred to adaptation.</p> <p>3. The mandatory grant limit to be increased to £50,000, index-linked to building costs. Cost to annual DFG budget of £4m to rise to £30,000 and £12.9 million to £50,000.</p> <p>4. Means testing for adaptations for children to be ended.</p> <p>5. The practice of applying the test of resources to cases where the cost of works is less than £4,000 should be reviewed. Cost £23m per annum.</p> <p>– However, if it is not possible to move to this position directly then as a first step all those on means-tested benefits should be exempt from the test of resources. This change alone will not affect the contributions of many applicants but will produce savings through avoiding the administrative costs of means testing.</p> <p>6. Replace the existing test of resources with one broadly based on Fairer Charging for Care Services principles. This would disregard earned income and take actual housing costs into account, but be modified to incorporate a minimum allowance for housing costs. This change is estimated to add £51.0 million to the DFG budget (29.4% increase). The modification to the treatment of housing costs is necessary to ensure that no one is disadvantaged by the change. Changing to a modified FCCS system is important because it will remove the current disincentives to work and more adequately reflect disposable incomes.</p>	<p>Agreed</p> <p>Two options proposed: either ring-fence to be maintained but widened to include any expenditure by LAs under RRO 2002 or, payments to be made to local authorities under section 31 of local Government Act which targets grants towards adaptations but not ring-fenced. Option one to be piloted first for Individual Budget pilots.</p> <p>Agreed to increase limit immediately following consultation to £30,000 and then phased increase to £50,000 linked to LAs realising offsetting savings through use of repayment charge for some grants.</p> <p>Already implemented.</p> <p>Not agreed on costs and targeting grounds.</p> <p>Agreed as part of review of DFG means test.</p> <p>Agreed to the consolidation of the two means tests in principle, subject to successful evaluation of individual budget pilots; a decision to roll-out IBs nationally; and available resources. In the interim Communities and Local Government will work with other departments to consider the scope for improved targeting of the DFG means test given available resources.</p>

Bristol Recommendations	Government's proposed response
7. The capital disregard limits used in the test of resources should be increased to £50,000.	Not agreed on grounds of poor targeting and cost to budget.
8. Where an insurance or court decision after the DFG includes a settlement for the cost of adaptation, an appropriate sum to be repaid to the DFG budget. The key factor with adaptations is speed of implementation. This provision will allow swift provision even if a court case is underway, but will ensure that funding available to the LA is maximised.	Already provided for in existing legislation.
9. For extensions only, a tapering charge in the event of sale to be placed on the property for a maximum of five years. This proposal will allow some adaptation capital to be recycled.	Not agreed. The Government proposal is for a wider ranging charge which would apply to more cases but subject to certain safeguards: a number of options but at least the first £5,000 would be grant without a charge. Grants for children excluded.
10. The scope of the mandatory Disabled Facilities Grant to be extended to include: <ul style="list-style-type: none"> • the needs of children; • space for family life; • clear right of access to garden; and • provisions to allow someone to work. 	<p>Agreed in part:</p> <p>Needs of children and family to be further considered by Communities and Local Government/DfES.</p> <p>Agreed to extend right to garden access.</p> <p>Already provided for by Access to Work Grant (DWP responsibility).</p>
11. Eligibility for assistance to be extended to cover more explicitly those with challenging behaviour and some other groups.	Not agreed: too imprecise – would lead to poor targeting: best covered by discretionary powers.
12. Stair lifts to be re-designated as equipment, so that they may be loaned and recycled. Responsibility for their supply and servicing to be carefully transferred to the Integrated Community Equipment Service.	Communities and Local Government/DH have agreed to consider this proposal further: would require budget transfer from Communities and Local Government to DH.
13. Housing associations to use their own resources to fund minor adaptations that are not funded by social services.	Agreed.
14. VAT to be abolished on all works of adaptation, including the fees of Home Improvement Agencies.	Not for consultation paper: Treasury continues to keep fiscal policy under review.

Bristol Recommendations	Government's proposed response
<p>STRATEGIC AND OTHER KEY ISSUES</p> <p>National</p> <p>15. A new approach to adaptations will configure them not as welfare provision, but as an opportunity for investment that will benefit simultaneously the individual and the State. Adaptations to be redesignated in a way that will more easily suggest the change in approach and secure investment. 'Environmental Technology' (ET) is one possibility.</p> <p>16. An interdepartmental strategic working group to be established by December 2005, possibly within the framework of the Improving Life Chances implementation group, the Office for Disability Issues, to plan a national strategy for adaptations, including the DFG, within the new approach. Its tasks will include:</p> <p>17. Devising suitable measures applicable to senior regional and LA managers for service planning and delivery of adaptation and related policies at regional and local levels.</p> <p>18. Ensuring that planning for adaptations is linked to policies of new build and renovation at national, regional and local levels.</p> <p>19. Tackling the problem of funding major adaptations in housing associations and producing a solution.</p> <p>20. Devising a way of creating a level playing field in the funding of adaptations for council tenants.</p> <p>21. Considering improvements to the core funding of Home Improvement Agencies</p> <p>22. Clarifying with Directors of Social Services authorities the mandatory nature of Disabled Facilities grant</p> <p>23. Addressing the question of the use of community occupational therapy skills in a situation of national shortage, and making appropriate recommendations</p>	<p>Covered by work on developing Individual Budgets.</p> <p>Agreed: ODI now has a Ministerial steering group covering implementation of the Life Chances report.</p> <p>Not Agreed: inappropriate for central government to dictate local managerial systems: good practice guidance already issued in 2004.</p> <p>Agreed in part: Lifetime Homes incorporated into Code for Sustainable Building.</p> <p>Agreed: new comprehensive guidance to be issued.</p> <p>Agreed: option for widening or ending of Communities and Local Government's ring-fenced grant will help to have this effect.</p> <p>Agreed in part: proposals for stronger role of HIAs in delivering housing adaptations.</p> <p>Already provided for: this is already clear in existing guidance.</p> <p>Already provided for: especially in recent Housing Corporation/ College of Occupational Therapy guidance.</p>

Bristol Recommendations	Government's proposed response
24. Examining mechanisms for giving greater control over the adaptations process to disabled people.	Agreed: is being covered in Individual Budgets work.
25. With the support of the Strategic group, the Department of Health to consider ways of investing in adaptations in order to achieve savings in acute and residential services.	Agreed: is being covered in Individual Budgets work.
26. Research or monitoring systems to be set in place to measure the impact of this investment in adaptations.	Agreed: is being covered in Individual Budgets work with large monitoring and research programme.
Regional	
27. Regional Housing Boards and Government Regional Offices to be required to develop an adaptations strategy within both Regional Housing Plans and Regional Spatial Strategies.	Agreed: new guidance to be issued.

Annex 3

Welsh Assembly Review of DFG and Adaptations

SUMMARY OF KEY RECOMMENDATIONS

Legislation

1. The current legislative framework should remain.
2. The production of clear publicity and information about DFG and adaptation services should be a core set requirement for the Assembly's performance framework for local authorities.
3. A National Assembly information booklet should be produced for clients and service users, setting out the types of services available, the roles and responsibilities of Housing and Social Services, and desirable standards of performance.
4. The method of providing adaptations up to the cost of £3000, that are currently provided through DFG, should be streamlined and made less bureaucratic. The way of achieving these needs to be examined in detail. Options to be explored include the use of secondary legislation, developing a new scheme and funding stream in Wales, linked to the better provision for independent living and other Wanless Report recommendations, and lobbying for a change to primary legislation on DFGs to facilitate this.
5. The UK Government should be lobbied to add to primary legislation the ability to reclaim DFG on sale, within time limits. In the meantime, local authorities should be reminded of their ability to introduce local conditions by application to the Assembly.
6. The ability to fast track DFG and major adaptations for disabled people through the planning system should be examined in detail.

Funding

7. The mandatory nature of DFG and the need to properly resource the DFG programme should be reinforced to all local authorities.
8. The calculation of the Housing formula for un-hypothecated general capital allocations should be reviewed to ensure it reflects levels of disability locally and actual demand for DFGs.
9. The funding allocation as a result of the housing formula should keep pace with the anticipated increase in demand for DFGs in future years.
10. To complement the recommendation to have a separate fast track route for DFG works costing up to £3000, consideration needs to be given to the funding source for such works, and the merits of using any finance available as a result of the Wanless Report.

11. Major Repairs Allowance should be useable for Disabled Facilities Grants for council tenants. Local authorities should be informed of this change for the next financial year (2005-6).

Delays

12. The detailed comparative and benchmarking work undertaken under this review should be prepared as a separate report and issued to local authorities and RSLs in order to encourage the sharing of best practice in DFGs and adaptation services.
13. A series of seminars presenting the outcomes of:
 - the Wales DFG review;
 - the Phase 2 Welsh Local Government Association benchmarking and good practice report (when completed); and
 - ODPM's *Delivering Adaptations, a Good Practice Guide*,

should be organised in partnership with organisations such as the Chartered Institute for Housing (CIH) Cymru, Welsh Federation of Housing Associations (WFHA) and Care and Repair Cymru.
14. A separate fast track route for DFG works costing up to £3000 should be introduced as detailed elsewhere.
15. A statutory Performance Indicator should be introduced that sets a target and measures the process of undertaken DFG and major cost adaptations in all tenures, from the first point of contacting the LA to the completion of work.

Disabled children

16. The means test for dependent children DFGs should be abolished, with additional costs funded by the Assembly.
17. The conclusions of the wider review of DFG means testing being undertaken by Communities and Local Government in England should be considered in Wales when complete.

Council tenants

18. A framework should be set in place that requires a greater level of uniformity for the delivery of council tenant adaptations. This should include:
 - a clear definition of what are considered minor adaptations (those costing less than £1000), and a common un-bureaucratic route for delivering these, outside of the DFG system; and
 - National Assembly for Wales Performance Indicators covering the time-scale for delivering council tenant major adaptations.
19. That good practice in delivering adaptation services for tenants be shared through the dissemination routes described in recommendations to Part C.
20. That a clear policy lead and guidance is given to local authorities that requires them to build into business plans and transfer agreements, all major and minor adaptation costs for bringing their stock up to the Welsh Housing Quality Standard.

RSL Tenants

21. All RSL major cost adaptations should be undertaken using Property Advisory Group (PAG) funding, from SHG.
22. Minor adaptations costing less than £1000 should be made the responsibility of the RSL, and not eligible for PAG or DFG.
23. The PAG scheme should be overhauled and clarified in terms of eligibility, minimum and maximum costs, eligible work, and paperwork required to be submitted. As far as possible PAG should match provision under the DFG system.
24. The PAG scheme should be clearly publicised amongst all RSLs.
25. To speed up adaptation works, retrospective claims for PAG should be allowable, subject to clear checks and balances to ensure such claims fully comply with PAG requirements.
26. Consideration should be given to the operation of a central schedule of rates for PAG works.
27. Information about available routes to adaptations for RSL tenants should be published, as part of the general information/ publicity material proposed elsewhere in this report.

Adapted Housing Registers for Social Housing

28. The best schemes and systems should be replicated across Wales. This could be facilitated by the sharing of information collected as part of this review and/or a series of best practice seminars for LAs and RSLs, facilitated by the Assembly and organisations such as WFHA and CIH.
29. LAs should be reminded of the benefits of adapted housing registers and matching schemes in relation to their own housing stock, and should be required to include their plans for such schemes within their local housing strategy and private sector renewal strategy.

Minor Adaptations

30. Minor adaptations should be clearly defined. It is suggested that the definition should relate to cost, and that all adaptations costing under £1000 be classed as minor.
31. Delivery of minor adaptations (under £1000) through less bureaucratic mechanisms should be promoted.
32. The funding of minor adaptations costing £1000 or less should be made the responsibility of Social Services for owner occupiers and private tenants, RSLs for RSL tenants, and Housing Departments for council house tenants, and the mechanism for the best way of achieving this examined in detail.
33. The use of non-occupational therapy qualified staff should be encouraged and promoted for minor adaptations.

Rapid Response Adaptations Programme (RRAP)

34. That the RRAP programme is confirmed as continuing beyond the initial 3 year pilot proposal.
35. That money allocated to the programme is increased to reflect actual demand for RRAP, within the clearly defined parameters of the programme aims and eligibility.
36. That consideration is given to the source of funding for the programme in future years, so that this reflects what the programme delivers in terms of health and social care objectives.
37. That consideration be given to a RRAP type programme covering social housing tenures, with due regard to delivery through the networks and partnerships already developed.

In January 2004 the Government commissioned a wide ranging interdepartmental review of the DFG programme. This interdepartmental review is being conducted jointly between the Department for Communities and Local Government, the Department of Health, the Department for Work and Pensions, the Office for Disability Issues and the Department for Education and Skills.

As part of the Review, the independent Bristol University report into the operation of the programme was published in October 2005. This consultation paper considers the recommendations of the Bristol report in the context of other recent policy developments and sets out the Government's proposals for improving delivery of this important programme.