

**REPORT TO THE SCRUTINY PANEL for PEOPLE**  
**Date 31<sup>st</sup> March 2011**

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**Status:** For information  
**Title:** Private Sector Housing – Disabled Adaptations and Private Sector Renewal  
**Originator:** Elaine Bird – Health & Enforcement Team Leader  
**Where from:** Management Board  
**Where to next:** Implementation

Objective: To update members on the level of demand for Disabled Facilities Grants and the Private Sector Renewal Programme; to advise on the future of the Home Improvement Agency and to advise on the outcome of the County Wide review of the Disabled Facilities Grants

1. Outcome sought from Panel

1.1 Members to note:

- A The level of demand for Disabled Facilities Grants and the Private Sector renewal Programme
- B The current situation with regards to the Home Improvement Agency
- C The outcome of the Countywide review of the Disabled Facilities Grant service.

2 Background

- 2.1 A request was made to update members of the Scrutiny Panel for People on the level of demand for the Disabled Facilities Grants. This was seen as a useful opportunity to also update members on how the first year of the new Private Sector Housing Policy has progressed, to advise on the future of the Home Improvement Agency and to inform members of the outcome of the Countywide review of the Disabled Facilities Grants.
- 2.2 A mandatory Disabled Facilities Grant (DFG) is available to residents to carry out essential adaptations to a disabled person's property to enable them to live as independently as possible in their own homes. With the exception of adaptations for children, all Disabled Facilities Grants are subject to a test of financial resources of the applicant. The maximum grant available is £30,000.
- 2.3 There is always a very high demand for this type of assistance and generally there has been an over spend of the allocated budget which has been covered by the resources available through other budgets.

- 2.4 In April 2010 the Council introduced a range of financial assistance for vulnerable home owners to enable them to carry out essential repairs and improvements to their homes when they have difficulty in securing funding from a commercial source. The assistance is generally in the form of Property Appreciation Loans and small repayment loans however there are certain grants available for example to carry out emergency works and to provide top-up funding to external grants for energy works – Warmfront Top –up Grants.
- 2.5 Since 1999 the Home Improvement Agency – Anchor Staying Put has been administering the Private Sector Renewal and Disabled Facilities Grant programme for Harborough District Council. The Agency provides technical and case worker support to vulnerable residents applying for assistance.
- 2.6 In early 2010 Anchor Trust who operates the Home Improvement Agency announced that they wanted to move away from Home Improvement Agencies as their core function.
- 2.7 Throughout 2010 the Trust has been in discussion with several interested parties with a view to transferring the agency and in January 2010 Anchor Staying Put was transferred to Mears Group and they took over the existing contract between the agency and the Council. This contract expires on the 31<sup>st</sup> March 2011.
- 2.8 The Business Planning process has reduced the core funding to the agency however there is sufficient funding for 2011-12 to enable the existing contract to be renewed for a further 12 month period to allow for a more sustainable delivery model to be developed.
- 2.9 In addition, during 2009-10 the Audit Commission carried out an assessment of the Disabled Facilities Grants process across Leicestershire. Following this assessment, consultants were appointed to undertake a Countywide review of the DFG process with a view to identifying ways to improve the service to customers and to look at value for money. Small task groups were developed to look at common service standards, procurement of equipment and co-ordination of closer working between the District Councils and Social Services.

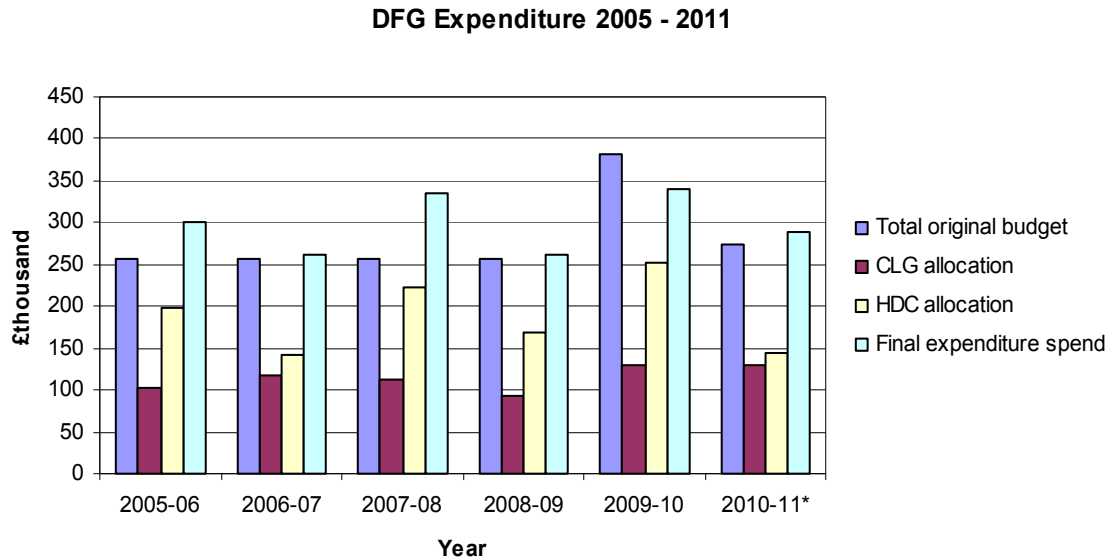
### 3 Points for discussion

#### 3.1 **Demand for the Disabled Facilities Grant Service**

- 3.1.1 The Disabled Facilities Grants are the only mandatory grants available and there is always a very high demand for this service and generally the expenditure is greater than the original budget allocation.
- 3.1.2 Previously 60% of the budget for DFG's came from specific Communities and Local Government grants with local authorities funding the remaining 40%. From 2008-09 the 60:40 DFG funding split was removed and local authorities have been given a DFG allocation without the requirement to provide the

match funding. Historically Harborough District Council has always funded DFG's beyond the 40% requirement.

3.1.3 The graph below shows a breakdown of the DFG expenditure since 2005 showing a comparison of the total budget. Including a breakdown of how the how this is made up and the final expenditure on DFG's



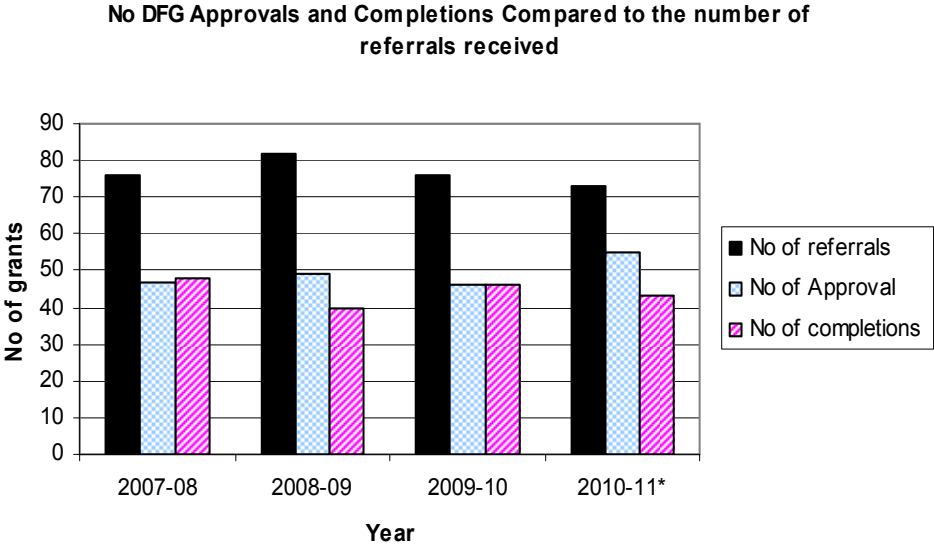
\* data complete to end of Feb 11

The original approved budget for 2009-10 was £256,000 however during the year a further £125,000 was identified to top up the budget in an attempt to clear some of the back log of grant applications. Whilst the budget was increased staffing resources to process the applications remained the same. The nature of the grant process means it can be very difficult to control the process. The grant application process can be complex and there are a number of external factors which can influence the length of time it takes to approve a grant. Once a grant has been approved the applicant has 12 months to carry out the work and once again delays can occur which are outside of the control of either the Council or the Home Improvement Agency consequently whilst there was an under spend of £20,000 in 2009-10 there was a carry over of committed work to the value of £92,000 into the next financial year.

3.1.4 The DFG process can be very complex and there are several interested parties involved. The applicant is assessed by an Occupational Therapist to determine what works are required. Once the referral has been made from Social Services, the Technical Officer, Occupational Therapist and the grant applicant must agree what works are feasible, practical and cost effective under the remit of the grant legislation to meet the needs of the disabled person. This process can sometimes be lengthy and delays can occur when for example the applicant goes into hospital or does not agree with the proposed scheme.

3.1.5 In addition when a referral for a grant is made, each applicant, with the exception of grants for children or those on income related benefits are subject to a test of financial resources to determine if they have any contribution to make towards any assistance provided. As a result of this process a number of potential applicants fall outside of the scope of the DFG process as their contribution to any grant is too high. Consequently the number of referrals made to the Council by Social Services does not reflect the number of grant approvals made in any given year. In addition the number of referrals made each year by Social Service varies and whilst the Council does have an understanding of the general need for disabled adaptations through the House Condition Survey and the Joint Strategic Needs Assessment for Harborough, the number of referrals is out of the control of the Council and consequently it is difficult to plan for the demand of the service on a year by year basis.

This is reflected in the table below.



\* data complete to end of Feb 11

3.1.6 The Joint Strategic Needs Assessment sets out a predicted 72% increase in residents aged 65 and over by 2025 living in Harborough district and a predicted rise of 77% in people over 65 having a limiting long term illness by 2025. In addition the population in Harborough of moderately to seriously physically disabled people aged 18-64 is set to rise by 2025. All of these factors are likely to have an impact on the need for the provision of disabled adaptations.

3.1.7 A recent House Condition Survey predicts that approximately £3,000,000 of investment will be required to meet the potential needs of the disabled population of Harborough over the next five year period.

**3.2 Demand for the Private Sector Renewal Service**

3.2.1 In April 2010 the Council's revised Housing Renewal Policy came into operation which introduced a range of financial assistance to enable vulnerable home owners who are unable to access commercial funding to carry out essential repairs and improvements to their property. Whilst there is some grant aid available, the majority of funding for home repairs is now repayable in the form of a loan or equity release. The loans are funded by the Council but the process is administered by the Home Improvement Agency. The client makes the repayments of any loan directly to the Agency in the first instance and the Agency arranges for the money to be transferred to the Council. Where any repayment of assistance is require a Land Registry Charge is placed on the property by the Council. This Charge is only removed when all outstanding money have been repaid. The types of assistance available is –

- Property Appreciation Loan – this assistance is available to home owners who have sufficient equity in their homes to release some of the capital to carry out repairs and improvements. The loan is only repayable when the property is no longer the main resident of the applicant.
- Unsecured Loans – these loans are aimed at home owners who are unable to access commercial lending but can demonstrate the ability to make regular payments of a loan. These loans are interest free and up to a maximum of £5,000 and would be re-payable over a maximum term of five years.
- Renovation Grants – where an applicant is unable to afford to repay a loan and there is insufficient equity in the property the Council will consider a grant to carry out the repairs. The grant would be repayable if the property is sold.
- Emergency Home Repairs Grant – where it is deemed that there is an imminent risk to health, a vulnerable home owner can apply for this type of assistance to remove the immediate risk.
- Top-up Energy Grants – Where an applicant has been awarded funding for a Warmfront Grant from Central Government but the amount of grant awarded is less that the cost of work, the applicant can apply to the Council for a “Top-Up” grant to fund the difference.
- Landlord grants – some funding is available for landlords to undertake fire safety work and also for accredited landlord to bring empty properties back into use or to carry out essential repairs.

3.2.2 In addition to the assistance described in 3.2.1 above, since 2006 the Council has received funding through the Regional Housing Board to provide assistance to vulnerable households living in non-decent accommodation. This resource has been used to target specific areas throughout the district and fund grants to vulnerable residents making a general enquiry for assistance. It was anticipated that whilst this resource was available, the take up of the loans/equity release schemes would be very limited. There will be no further

funding from the Regional Housing Board for the Decent Homes Scheme and consequently we anticipate that the interest in the loan/equity release schemes will start to increase over the coming years.

3.2.3 The table below shows the Private Sector Renewal activity since the start of the new policy

Assistance type	Approval	Completion
Property appreciation	Nil	Nil
Unsecured loans	Nil	Nil
Emergency Grants	Nil	Nil
Top-up Energy Grants	2	2
Landlords	3	2
Decent Homes Funding	33* plus 15 carried over from 2009-10	28* *to the end of Feb 11.

3.2.4 Since the start of the Decent Homes Scheme in 2006, 170 households have benefited from works and the total value of improvement works undertaken is approximately £563,000 resulting in an average grant of £3300.

3.2.5 As the Decent Homes funding is now coming to an end it is proposed to re-launch the remaining assistance available through the Private Sector Renewal Policy to vulnerable home owners in the Spring with the assistance of the Home Improvement Agency who administers the scheme on behalf of the Council.

### 3.3 **Future of the Home Improvement Agency**

3.3.1 Since 1999 Anchor Staying Put has been administering the Home Improvement and Disabled Facilities Grant programme for Harborough District Council. The Agency provides technical and case worker support to vulnerable people to enable them to remain in their own homes by either improving their living accommodation or to carryout essential adaptations for disabled occupants.

3.3.2 In 2010 Anchor Trust, who operate the Home Improvement Agency (HIA) for the Council announced that they wanted to move away from Home Improvement Agencies as part of their core function. Throughout the year the Trust was in discussion with several interested parties with a view to transferring the HIA. In September 2010 Anchor Trust confirmed their intension to transfer the majority of their Home Improvement Agencies to Mears Group Plc.

- 3.3.3 Anchor Staying Put – Harborough and Melton transferred the existing agency contract to Mears Group in January 2011 with a view to renewing the contract for a further 12 month period in April 2011. The agency is now called Mears Home Improvement Ltd. In addition to the delivery of the DFG's and Private Sector Renewal Programme for Harborough District Council from April 2011 the new Agency has been awarded a 3 year contract to provide a Countywide Handyman service throughout Leicestershire. This service will provide up to three hours free service to vulnerable households to undertake general small scale repairs and maintenance work around the home.
- 3.3.4 Following the Business Planning process the core funding for the Agency through the provision of an annual grant and funding for a part time Technical Officer has been withdrawn. Funding has subsequently been identified to support the annual grant to the Agency for a further 12 month period and a report went to the Executive Committee on the 14<sup>th</sup> March 2011 to obtain approval to renew the current contract with Mears Home Improvement Ltd for a further 12 month period and to carry out an options analysis during the year to identify a more sustainable delivery model for the provision of the DFG and Private Sector Housing Renewal Programme. An update on the out come of this report will be given verbally at the Scrutiny Panel for People meeting on the 31<sup>st</sup> March 2011.

#### **3.4 Update on the Countywide review of the DFG process**

- 3.4.1 Following an assessment by the Audit Commission in 2009-10 a review of the provision of Disabled Facilities Grants across the County was undertaken to improve service delivery. As a result of this process service standards have been developed which set out time frames for the completion of various types of adaption works. The service standards are challenging and will require all of the agencies involved in the process working together to ensure year on year improvement for the service user. In addition the review is looking at the procurement of building work to ensure value for money. The County Council has undertaken a procurement process for the provision of stairlifts and the DFG review group is looking at other common works such as the provision of level access showers to identify where savings can be made.
- 3.4.2 As a result of the review a proposal has been developed to pilot a service delivery model in two District Councils and Leicestershire County Council. The model builds on the concept of a hub and spoke to improve the delivery of simple adaptations, by greater integration between County and District Council staff and simplification of process. The County Council's Central Adaptations Team will be the hub, acting as a central administrative point for all adaptations and with enhanced associated procurement functions. A County Council Occupational Therapist dedicated to the pilot will work with District Council staff as the spoke of the model to deliver all simple adaptations for adults in these localities.
- 3.4.3 Subject to the evaluation process of the service delivery pilot, there is the scope to role out the model across the County. This process could be linked to one of the recommendations identified during a recent review of older person's

housing related support throughout the County. One of the recommendations from this review is to explore the possibility of establishing a Countywide Home Improvement Agency to provide a “common thread” across the County achieving economies of scale, better value for money and a consistent approach throughout. The proposal is to establish a Countywide Agency by 2013.

#### 4 Equality Impact Assessment Implications/Outcomes (attach completed EIA)

4.1 The Private Sector Renewal Programme and the Disabled Facilities Grants provide financial support for the most vulnerable households in the district to carry out repairs and adaptations to their properties.

4.2 During the development of the Private Sector Renewal Policy an initial equality impact assessment was undertaken (appendix C) which concluded that there was no requirement to carry out a full assessment as the policy has a positive impact on the groups identified in the initial assessment.

#### 5 Impact on Communities

5.1 The Private Sector Renewal Policy enables the Council to work towards the following themes in the Leicestershire Performance Framework

- Improved life chances for vulnerable people and places
- A safe and attractive place to live and work
- A healthier Leicestershire

5.2 The role of the Home Improvement Agency is to work with the most vulnerable households in the community to assist them in arranging for repairs and adaptations to be carried out to their properties and to enable them to live as independent lives as possible.

#### 6 Legal Issues

6.1 The provision of Disabled Facilities Grants is mandatory under the Housing Grants, Construction and Regeneration Act 1996.

6.2 The Housing Act 2004 places a duty on local housing authorities to assess properties under the Housing Health & Safety Rating System and to take appropriate action when a category one hazard is identified.

#### 7 Resource Issues

7.1 Funding has been identified through the Decent Homes budget to support the annual grant to the Home Improvement Agency for 2011-12. Throughout the next 12 month period negotiations will be undertaken with the Agency to identify a more sustainable way of maintaining the service.



7.2 The Capital Programme for 2011-12 sets out a budget of £100,000 for private sector housing loans and grants and a further £256,000 for disabled adaptations.

## 8 Community Safety Implications

8.1 None identified

## 9 Carbon Management Implications

9.1 None identified

## 10 Risk Management Implications

10.1 The Disabled Facilities Grants are mandatory. The additional resources a Home Improvement Agency can provide will ensure better business continuity and service delivery. Following the review of the DFG service the introduction of service standards for the delivery of the DFG programme will be challenging but should result in improved timescales for the implementation of the adaptation measures which will reduce the likelihood of challenge by the grant applicant on the local authority for the provision of this service.

10.2 Under the Housing Act 2004, Environmental Health Officers undertake risk assessments on residential properties to determine the level of hazard the property poses to the occupier, where a category one, high risk, hazard is identified in a property the authority is duty bound to take appropriate action. Without financial assistance as an incentive to carry out work, it may mean that more enforcement action is required which can be time consuming and costly if an appeal is lodged against an enforcement notice. In addition it may mean the council having to take costly enforcement action against owner occupiers for the removal of a category one hazard.

## 11 Consultation

11.1 No issues

## 12 Background Papers

12.1 **TEN Performance Management Data – Information on number of private sector properties made decent.**

12.2 **Summary Budget Information**

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**Previous report(s): Y/N**

**Information Issued Under Sensitive Issue Procedure: Y/N**

**Appendices:** *list any appendices here including title and filename in brackets (e.g. Performance Data 2010 (perdata.doc)).*

**A. TEN Performance Management Data (Compulsory)**

**B. Summary Budget Information (Compulsory)**

**C. Equality Impact Assessment**

**D.**