Disabled Facilities Grants in England:

A Research Report

by Astral Advisory

for the District Councils' Network and the Society of District Council Treasurers

April 2013

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1. Executive Summary

This research report was commissioned by the District Councils' Network (DCN) and the Society of District Council Treasurers (SDCT), and conducted by Astral Advisory in early 2013. Over 50% of all district councils in England engaged with the research through surveys, interviews and case study discussions.

Disabled Facilities Grants provide an important mechanism for supporting people with disabilities to live independently. When delivered early, alongside other preventative measures, they may contribute to preventing admissions to hospital and residential care. With an increasingly elderly populations, and more disabled children surviving their early years through to adulthood, the need for adapted housing is projected to continue to increase, but most new-build homes are still not designed to meet the needs of disabled people, nor to be readily adaptable.

Analysis of English house condition survey data indicates that the total amount required to cover grants for all of those who are theoretically eligible under the current rules is £1.9bn at 2005 prices. This is more than ten times higher than the total amount of DFG in England in 2009-10, at £157m[1]. This report found that although grant allocation from central government has increased in recent years, pressures on budgets have led to many local authorities decreasing their spend.

Delivery of DFG is a statutory function delegated to local housing authorities in England, with partial funding from central government. In many areas, this system of delivery is not working well: resources are not deployed as effectively as they could be, customers are left waiting too long, sometimes two years or more, and the financial strain placed on districts with low capital reserves cannot be sustained. Many districts already operate waiting lists, and of those who are currently managing demand through use of their own capital reserves, the vast majority report that this cannot be sustained from more than two years.

A small number of exemplary local authorities have formed well-managed partnerships between county and district authorities, bringing together the housing and social care aspects of delivery, and in so doing have reduced duplication, improved services and deployed resources more effectively. This model of service delivery has so many benefits, that we recommend it is rolled out nationally, with a requirement for all two-tier authorities to form local partnerships, and agree a clear local Adaptations Strategy.

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[1] "Disabled Facilities grant allocation methodology and means test – final report" BRE, February 2011

The system needs a major overhaul, to ensure one authority takes a clear lead on planning and meeting the needs of disabled people across a locality. Planning needs to include an assessment of needs, not just demand, and promotion of the service.

The means by which funding is allocated, both from central government to the district councils, and by local councils to those in need, is outdated, and out of step with recent changes to the welfare benefits system. It can be argued that DFG does not encourage and support people to make sensible and responsible decisions about their own future housing, as it is always there to support the home-owner, even if s/he has chosen to move to an unsuitable home. Waiting for a DFG can be a barrier to accessing work for younger disabled people, both because they need the adaptation to become more mobile and involved in the community, and also because there is a perverse incentive to remain on benefits until the work is completed. Furthermore, the current system does not encourage those who have access to significant – and sometimes very large – amounts of equity in their homes to use it support themselves, in line with proposals on self-funded care.

To reform the system, the guidance on paying for DFG should be rewritten so that where customers have significant amounts of equity, works will be funded through an equity loan. Some local authorities will choose to offer loans, either alone or in county-wide partnerships, but the government should also make available a national equity loans pot. A grant safety-net will remain in place for low-income customers who do not have access to equity, and means-test should apply to all applicants, regardless of age. Offering loans will take the strain out of capital finance, and allow councils to focus resources on meeting the needs of an increasingly elderly population more quickly, and with greater focus on effective solutions.

There is some evidence that housing-related prevention services, including DFG are able to prevent or defray much larger housing and social care costs, as well as improving quality of life and enabling disabled people to be more active in their community and in employment. In order to be effective, services need to be provided early, and must not be delayed due to lack of resources, or by applying unrelated assessments such as the FACS (Fair Access to Care) assessment, as these prevent people from accessing services at an early stage.

When resources are constrained, preventative services are put under pressure: this report recommends focussing resources on prevention, in order to reduce future care and adaptation costs, but also recommends that the government should commission longitudinal research to develop the evidence base to support effective future commissioning decisions. The current research base has not properly investigated which interventions are most effective in delaying or defraying care costs, and this information is vital in supporting local commissioners to decide where to invest resources. Key prevention options to be considered include handypersons, small repairs services, and tele-care.

In order to ensure effective solutions that are well-used by the customer – as well as to make the transition to the new funding arrangements – the system needs to shift from being a process done *to* a customer to a process which works *with* and *for* the customer. New guidance will be required to ensure local authorities can implement an approach which

- Supports customers to identify their own needs and preferred solutions, including the opportunity to try out equipment

- Provides advice on options, including moving to more suitable housing and funding solutions using the customers own resources
- Considering future needs including care needs

The report recommends funding a new national network of Independent Living Centres, using the Care and Support housing fund. Such a network would enable Occupational Therapists to conduct more assessments, more quickly. For many people, solutions using equipment and advice can allow them to self-serve, or to be referred to appropriate solutions including advice about moving house. Home-visits can then be targeted at those in the greatest need.

The report recommends that:

1. DFG services should be delivered in an integrated way in which the whole service from initial enquiry through assessment to delivery of any aids, equipment or adaptations is carried out by an integrated team, which includes an independent client advocacy role. Alternatively, responsibilities could be transferred to one organisation to make delivery more efficient and support better resource planning.

2. Each local partnership should be required to set out an agreed Adaptations Strategy identifying needs and proposing local solutions. The strategy will include information about local funding arrangements, and will need to comply with national guidance, which the government would issue.

3. The system should shift towards supporting people to make their own choices. Greater advice should be made available to all applicants, including a consideration of the other housing options available to them, in the short- and long-term. A national network of independent living centres would allow people to self-serve to a much greater extent, often selecting less expensive, lower intervention solutions to meet their own needs.

4. In future, most adaptations for home-owners should be funded through the equity in their homes, supported by equity loans, with a grant safety net available for those without equity. Government should consider making a national equity pot available, or alternatively establish a national equity loan scheme for DFGs with nationally approved providers.

5. DFG should not be paid for adaptations in social housing. Registered providers should be expected to make best use of housing stock, taking advantage of tenure reform to do so. They should be required to pay for adaptations from rental income in the same way as council housing.

6. Clinical commissioning groups should be expected to provide revenue support for housing-related preventative services which can delay or avoid admissions to hospital and care, especially handyperson services.

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2. Introduction

This research report was commissioned by the District Councils' Network (DCN) and the Society of District Council Treasurers (SDCT), and conducted by Astral Advisory in early 2013. The SDCT represent the interests of District Council finance on a national level in order to understand the resources expended by district councils to deliver housing adaptations, and to identify whether current approaches makes best use of available resources. The DCN/SDCT are concerned about the costs of adaptations, based on anecdotal feedback from their members, and are interested in the relationship between housing adaptations and costs avoided elsewhere in the public sector, for example through avoiding or delaying admissions to hospital or to care.

The research was carried out by Astral Advisory in early 2013, using a range of methods designed to secure maximum participation in the project. Research findings were shared with the DCN/SDCT who were fully involved in shaping the project and considering the implications.

Disabled Facilities Grant is a mandatory grant available to a disabled person (or their family) to adapt their home to make it suitable for their occupation. The grant may be used for other purposes, such as supporting a move to a more suitable home. Detailed guidance sets out the requirements for the grant, including a means test, but this guidance has not been updated in recent years. The mandatory grant is administered by the local housing authority – in two tier Council areas, the District or Borough authority – whilst the assessment of need is the responsibility of the social care authority (the County).

This research focusses specifically on the experiences of district authorities in England, and has not investigated the situation pertaining to unitary (single tier) authorities, nor to other parts of the UK.

The key questions investigated by the research are:

- Identify the extent to which there is an issue around the delivery of private sector DFGs within local government. This would take account of levels of need, supply and resources, both now and in the future
- Identify the benefits of meeting the needs for DFGs to the wider public sector (e.g. health bodies, adult social care) in order to make a compelling case to Treasury to either increase or divert existing resources to DFGs to make significant savings elsewhere in the public finances
- Identify the principle causes of demand on the service
- Identify whether current approaches are making the best use of available resources and if not, why?
- Produce case studies which show innovative practice that has led to the maximising of resources at a local level
- Review the effectiveness of relationships between organisations responsible for DFG administration and adult social care
- Identify the approach of Housing Association to DFGs relating to their own stock

From the investigation, we have made recommendations for change, some of which need to be implemented by central government, and others which can be adopted at a local level, in

accordance with local arrangements. We have also provided examples of good practice and innovation which local government and partners could adopt to make services more effective and efficient.

2.1 Methodology

In carrying out the research, we began with a focus group of interested council representatives, to shape the research and ensure their key concerns – and ideas – were reflected.

2.1.1 Desktop Research: we reviewed already published research and reports, including research conducted in Wales, and recommendations previously made to and by government. This informed later stages of the research, including our recommendations, and a summary of the previously published reports we considered can be found in Chapter 5: Desktop Review

2.1.2 On-Line Surveys: Working with a steering group of local authority finance and housing officers, we designed two questionnaires to be completed by local authorities, in order to gain an understanding of the difficulties facing District Councils, their challenges and successes. The first, sent to Chief Finance Officers, sought to determine: the amount of resource available to DFG from national grant and local sources; changing patterns of spend; and to begin to understand how district councils are planning their DFG spend whether on historic grounds, by modelling needs, or jointly commissioning services with health or social care.

The second questionnaire investigated the practical delivery of DFG by the District, or another agency acting on their behalf. We asked the Council Private Sector Housing Manager (or their equivalent) to complete this return, supplying information on: volumes of service; types of adaptation requested; changes in demand for different types of work or for different customer groups; approaches to value for money; efficiency, innovation, and planned service improvements.

Many local authorities completed one or both of the questionnaires, giving a good – but not complete - picture of the delivery of DFGs by District Councils across England. Information about value for money initiatives and innovation was widely available, but data on actual delivery was often not supplied. Gaps in information revealed areas where local authorities are perhaps struggling, especially in terms of identifying and predicting demand, and working with health and social care.

The results of the surveys were used to inform our discussions in the next phase of our report, and our recommendations. Reporting on outline findings from the surveys is included in Chapter 6.

2.1.3 Case-Studies: Using the overview information from the survey, we identified a number of local authorities across England to talk to about their experiences. Our sample was chosen to include a range of types of Council – rural, urban and coastal; small, medium and large; those working in shared delivery arrangements, and those working alone; councils who can meet their obligations within current funding and some with large backlogs. We

sought to meet with a wide range of councils, to better understand the variety of experiences. In each council, we interviewed people who could talk to us about strategy and delivery, including some or all of the following: finance manager, housing manager, social care commissioner, health commissioner, OT manager.

The following district councils participated in interviews: Braintree, Broadland, Carlisle, Cherwell, Craven, East Northamptonshire, Melton, Nuneaton and Bedworth, North Warwickshire, Pendle, South Norfolk, South Staffordshire, Swale, West Somerset, Tamworth, Teignbridge, West Dorset, Weymouth, Wyre.

Although we identified types of council, we did not discern – from the questionnaire or case studies – a clear correlation between effective delivery and size, type, location or political control. Rather, the case studies illustrate how the mix of housing stock, demography, and the availability of Council capital, can lead to very different delivery positions. They also provide some excellent examples of innovation, co-operation and effective local solutions that could be replicated in other areas.

Material from the case studies has been used to shape the recommendations, and to develop ideal or archetype models of delivery. In some cases, further discussions were held, or additional material requested from councils, to ensure a full picture of their situation.

2.1.4 Exemplars

From our case studies, we identified three local authorities who represented archetypal approaches to the delivery of DFG, and explored their working practices in greater depth. These are written up as exemplars in Chapter 5.

2.1.5 Investigation of the role of Housing Providers: because the role of housing providers is so important to the delivery of DFG – especially in areas where the District Council no longer holds its own social housing stock – we investigated their roles specifically through: a literature review; a questionnaire to a small sample of housing associations; and interviews with housing associations, including some linked to case-study areas.

Chapter 3: Key findings

This section summarises the key findings from our research. There is more detailed material from all phases of the report and more good practice examples drawn from our surveys, visits and discussions included in s more information in Section Two of this report.

Overall, there is clear evidence that the system for delivering adaptations to the home for disabled people in England is not working as well as it could. Despite mixed practice, and some good innovations in many areas, the current arrangements – both in terms of capital finance and delivery – have inherent inefficiencies within them, and lead to slower service for customers and poor value for money that cannot be afforded in the current economic context.

Furthermore, we are currently seeing a significant shift in the relationship between the state and the individual, through welfare reform, housing reform and other policy changes including those proposed in the recent White Paper on care . Whatever future governments may do, the shift of responsibility from the state to the individual is likely to remain in many areas. The administration of DFGs is out of step with this cultural change: according to the mandatory guidelines, home-owners with equity of half a million pounds or more can access state funding to adapt their homes, rather than drawing on their own resources, and well-off parents of disabled children are not means-tested, but can access up to £30,000 to adapt the home they have chosen – rather than choose to use their own resources, or possibly move to a more suitable home.

In terms of tenure reform, the recently-introduced flexible fixed-term tenancies will in future allow social landlords to require tenants and their families who need adaptations to move to a more suitable home, if one is available – rather than carry out costly adaptations to one home, whilst removing them from another. Such tenancies will also allow social landlords to regain use of such adapted homes for those who need them when the disabled family member has moved on or died.

Nationally, the size of the private rented sector has grown significantly in the last ten years. Therefore, demand for adaptations in this sector is likely to increase, and local

3.1 Demand

Demand for adaptations is increasing nationally, in response to changes in demographics and medical advances. This has already been reported on in a number of publications, and census/ population data shows that older people now make up a higher proportion of the population, are living longer and wishing to remain in their own home for as long as possible, and this trend is predicted to continue. Nationally, the number of people over 75 years is projected to increase by 35 per cent from 4.7 million in 2006 to 6.3 million in 2021 and the number of people over 85 is set to rise by 57 per cent from 1.2 million to 1.95 million over the same period.

More people of all ages with significant disabilities are being encouraged to live independently, and indeed are living longer. Whilst some councils report a noticeable year-on-year increase in applications, many have not yet seen significant rises in applications,

partly because the DFG service is not advertised, and many eligible people will not know to ask about its existence. Demand for DFG is also affected by the type, tenure and condition of homes in a local area. For example, rural areas with a large supply of bungalows may sometimes experience lower demand than in areas where the predominant house-type is Victorian terraces.

Better care for pre-term babies and innovations in medical support for disabled children has led to an increasing number of children and young people with disabilities needing adaptations. 21% of districts reported that they have seen a significant increase in the number of applications for large and complex adaptations for children, and sometimes repeat applications for the same child where a coherent approach to planning and meeting long-term needs of the family is not taken at the outset. For smaller authorities, one or two applications for extensions can spend more than half of the annual budget, leaving the council unable to help many other applicants. Particular issues raised by councils about the increase in adaptations for children included:

- Concerns about large adaptations for households who do have access to funding (income and equity). In some higher-value areas, the removal of the means test has led directly to an increase in adaptations funded by DFG, with reports of expensive works being carried out for people who could have funded it themselves;
- In some areas, there has been a particular increase in applications for extensions for children with behavioural problems, where they are recommended not to share with siblings. This can lead to the implication that DFG is being used as an alternative to tackling overcrowding and, in some cases, as an alternative to providing social care and parenting support to manage the family in their home, whilst other large families live in overcrowded conditions for many years whilst waiting for a suitable home;
- Reports of some families who have knowingly moved from homes that were suitable for their needs, to unsuitable homes, and then applied for DFG to adapt, rather than making reasonable housing choices in the first place.

Developments in technology have enabled the delivery of tele-care and more recently tele-health services. Tele-care services can work effectively alongside adaptations, but rarely replace the need for adaptations work to be carried out. Thus the emergence of tele-care services may have in itself increased demand for adaptations

In our research, we found that 73% of councils surveyed say that they can meet demand for DFGs at the present time but most of these know that they are only just coping with referrals and that the real level of need is far greater, as many households do not know about and therefore do not apply for, DFG**.** In fact, we found that very few councils have even attempted to model or predict real demand but plan their programme based on historical spend. Some councils hold information on the need for adaptations in housing needs surveys, but those referred to were almost all more than five years old. Some social care authorities who hold information on care and support needs are reported to be refusing to co-operate with the District Council on modelling future needs, and taking a planned approach to service development.

Using demographic information about the growth in older people, combined with this information about the inability of the current system to cope with current levels of demand,

we can safely predict that demand in most areas would increase immediately if the service were well-promoted to those in need, and demand will continue to increase for many years to come. On current funding arrangement, and councils will not be able to maintain services to meet their statutory obligations.

Many of the councils who are coping with current levels of demand do so by investing increasing amounts of local capital into the service, which they recognise is unsustainable in the longer term. Most report concerns about sustaining their level of spend beyond the next two to three years, with many reluctant to take on borrowing to meet the demand for DFGs. In other areas councils with limited access to capital receipts have chosen to limit or reduce expenditure, rather than take on debt, and as a result significant waiting lists are place. For example, North Devon DC report a queue of 125 cases, which represents 1 – 2 years in excess of resources, depending on the complexity of the cases queued and Swale BC report a waiting list of around a year. Both areas report that people who can find other solutions will do so rather than wait for a DFG.

Most districts believe that demand for DFGs will rise in future years, although some feel that the greater supply of specialist housing for older people may help to alleviate this.

In some areas demand is kept artificially low by the practices of the county council: some county councils are applying FACS (fairer access to care services) criteria at the point of all initial requests for service, including DFG. In practice, this means that applicants who needed an adaptation, but who do not otherwise have a substantial need for care, are not passed for assessment, and therefore are not able to access the DFG service to which they are entitled.

Setting aside the fact that this is unlawful, from a holisitic perspective, denying access to adaptations at an early stage is likely to lead to greater needs later. If informal care is in place then providing sensitive adaptations which support family care will prevent or delay the point at which state-funded care is required.

In some areas where FACS is not used in this way, the waiting times for an Occupational Therapy assessment are very significant, and thus reduce demand for the service by placing real blockages in the way of people who need, and are entitled to, help.

The nature of demands is to a large extent determined by the way in which Occupational Therapists operate. Where OTs have been seconded into housing teams, or better still integrated teams with shared budgets have been established, the increased knowledge of the practitioners has led to a reduction in recommendations for very large and expensive work, and to the delivery of more adaptations within the available budget – effectively a changing pattern of recommendations leading to a reduced pattern of demand, and a greater likelihood of resolving needs through inexpensive interventions.

3.2 Funding

Funding pressures have really added to the complexity of delivery in recent years. Some local authorities have seen demand far outstripping the money available, and are having to prioritise work and keep waiting lists. County Councils have been under pressure to cut

supporting people budgets and re-tendering exercises for HIA work have been contentious in some areas, with districts feeling under pressure to pass DFG work to HIAs to enable them to remain viable with reduced funding. At the same time, some non-statutory prevention services such as handypersons are being withdrawn because of lack of funding, which arguably puts more pressure on the DFG budget.

In responding to our survey many districts reported that they have had to reduce their own contribution to funding DFGs due to pressures on the budget. The average amount being spent by district councils on DFGs has reduced since 2010/11, from £610,000 down to £560,000 despite the average amount of government grant increasing between 2010/11 and 2012/13. Most districts are predicting a reduction in total spend on DFG for 2013/14. Where districts have seen increases in demand as a result of new methods of working reducing waiting lists and leading to peaks of applications, many have topped-up grant programmes to address this but cannot sustain the higher level of contributions in the long-term.

Councils have been appreciative of extra funding from central government, but are critical of late releases of funding, which they are then under pressure to spend quickly, without adequate staffing resources in place to deliver sudden increases in programme. As they try to set longer term budgets in other areas, and plan a capital programme, councils would like to see a three-year allocation of DFG funding, to support planning and effective delivery.

Where DFG does not meet the full cost of works for an eligible applicant most councils refer applicants on to other sources of help. Home Improvement Agencies were cited as particularly helpful in accessing alternative sources of capital, as well as in the support they provide to applicants, and their ability to look holistically at other works needed and other needs such as health and social care. Cuts to budgets have led to the closure of some HIAs, and to other services being taken in-house, but some counties are currently tendering HIA services on a wider footprint, to create more efficient, sustainable services, which are not necessarily focussed on the delivery of DFG, but on wider, complementary, housing-related support.

Nearly 40% of Districts offer loans and/ or equity release products to top up funding. Seven councils responded that they offer such products themselves whilst others are in partnership with loan providers. A number of County Councils also offer top up loans, e.g. the Kent Home Support Fund offer grants or loans, whilst West Sussex County Council makes equity loan funding available, to be repaid upon sale of the property. Loan schemes across a wider area such as a county are administratively less expensive than smaller local schemes, and can justify employing someone with the right expertise to deliver loans as well as negotiating good value services on valuations and legal costs. There is scope for further development of such models, including through shared services providers delivering financial and back-office support to local authorities. Greater demand for equity release loans would also stimulate the market, and financial services companies currently working with local authorities may take the opportunity to expand their areas of operation.

Districts who do not yet offer equity loans expressed concern about the costs of doing so, both in terms of capital resources to lend, and the revenue costs of valuations, and administration. Many councils who are currently debt-free are adverse to borrowing for any reason, and would be resistant to borrowing money to set up a local equity loan scheme.

We feel that Government should consider making a national equity pot available, or alternatively establish a national equity loan scheme for DFGs with nationally approved providers.

3.3 Health and social care

There are some excellent examples of district councils who are working proactively with the counties, managing their budgets well, and delivering effective services. Closer working between social care and health care has started to open up opportunities for districts to work more closely with health care providers and in a very small number of cases, to influence health spend into housing-related projects. There are some excellent initiatives being delivered by Registered Housing Providers, with District Council input and support, to enable an earlier discharge from hospital or to prevent or delay admission. Many districts, however, are finding it hard to get the housing "offer" onto the table and to influence the new Health and Well Being Boards to consider the role that adapted and appropriate housing and related support can play in alleviating pressure on their budgets.

Many district councils are convinced that effective delivery of preventative services, such as housing repairs, handyperson work, and schemes to help older or disabled people keep warm, are effective in preventing or reducing the costs incurred by health and social care, especially those related to admissions to hospital or residential care. The role of Disabled Facilities Grants in this is less clear, and there is a lack of coherent research into the actual experiences of people who have had adaptations carried out, to evaluate whether care has in reality been delayed or defrayed when compared to similar people who did not have the adaptations, whether through their own choice, or as a result of long waiting times.

Some district councils are trying to model the impact on care costs locally. For example:

- Swales BC carried out a review of their complete DFG waiting list, and found that expediting cases would not have a real impact on health and social care costs, because most applicants were not receiving state-funded care. However, this does not take account of whether adaptations might be important in maintaining family-based care in the longer term;

- East Northamptonshire are currently modelling the impact of DFG on social care costs, by making assumptions about the rate at which disabled children, adults and older people are admitted to residential care, and the length of time they stay there. There is however a lack of real evidence as to whether DFG applicants are more or less likely to be in need of such care than the general population.

The area in which the connection to other budgets is most clear is when adaptations are targeted at people who are awaiting hospital discharge. 12% of councils specifically mentioned fast-track services in these cases, and in some areas where councils do not offer support, there are discharge schemes run by Home Improvement Agencies with funding from healthcare commissioners, outside of DFG.

Very few other attempts have been made to link health, housing and social care budgets, but there are emergent finding from councils who have recently adopted integrated models of working, that some sharing of both staffing resources and budgets, coupled with a better understanding of the budgetary pressures across the staff team, is leading to a more

effective service with improved value for money. This is described in more detail in Chapter 5: Future Delivery Models.

From our desktop review, we can highlight work carried out at Neath Port Talbot Council in Wales, and appraised by the Lean Enterprise Research Centre at Cardiff University for the Welsh Audit Office, which showed a strong correlation between the average age of admittance into residential care and the provision of a DFG. Those who received a DFG went into residential care on average 4 years later than those who did not receive a DFG. The Council identified 189 people who went into residential care where there had been a request for a DFG but the work had not been completed sufficiently quickly. At an average cost of £380 per week in residential care, the potential saving which would have arisen from timely provision of the DFG was £12.7m (ie 189 x £380 x 52 x 4), less the £1.2m cost of the DFG (at an average of £7,000).

3.4 Adaptations in Social Housing

The cost of adapting social housing is very significant, and places strain on council budgets in many areas.

Although many local authorities have chosen to transfer their stock to Registered Providers (RPs, also known as housing associations), some have retained ownership. Whilst council tenants can claim DFG as a mandatory grant, at the same time councils should be making capital available (from right to buy receipts amongst other sources). Stock- owning councils are delivering adaptations within their housing resources. Under the new self-financing HRA regime the business plan for Council housing is underpinned by borrowing and the rental stream: DFGs are therefore underpinned by Council rents, and other income to the HRA.

No local authority should be spending DFG money on adapting its own stock. In our survey, no Councils were using DFG for their own stock, but the survey and site visits revealed that many local authorities spend a significant proportion (20 – 40%) of their DFG budget adapting homes owned by social landlords. This is not sustainable, given the overall demand for adaptations that local authorities face. We are only too aware that RPs are under significant financial pressure, with the impact of welfare reform changes affecting revenue streams, and the pressure on developing RPs to develop new homes at ever lower grant rates. Nevertheless, the current position needs to be made clearer in legislation, and we recommend that RP tenants should no longer have a mandatory right to a DFG. RPs should be expected to fund adaptations from their rental stream in the same way as local authorities are.

Some RPs take a very proactive role in adapting their own stock and as a result, in some areas, there is good availability of adapted stock for disabled tenants and applicants to move to when they need it. Prior to 2008 such adaptations could be funded from a £1.5m pot held by the Housing Corporation. Since then, tenants in most areas have been encouraged to apply for DFG, despite the Housing Corporation and CLG advice issued at the time which stated:

"It is expected that RSLs (now RPs) build into their business plans the funding of adaptations as a core activity."

84% of respondents to our housing questionnaire reported that some of their RP landlords pay towards adaptations to their homes but the amounts paid vary considerably with some RPs paying for minor works only and others funding significant works. Some RPs pay for large adaptations in some districts, and not in others, in accordance with different agreements with (or the practice of) local authorities.

Only 39% of Councils have a formal agreement with RPs. Protocols have emerged in the West of England, Somerset and Devon to name but a few. Most protocols commit the RP to funding the cost of works up to a given amount, or funding a proportion of the cost. For example, in Fenland the main social housing provider pays 50% of project cost, and the work is funded using a simplified landlord application so that the landlord can procure works quickly and efficiently.

Protocols only succeed where the RPs are willing to take on this work. In some areas attempts to negotiate protocols have stalled with the majority of RPs refusing to sign. For example, the Kent protocol requiring RPs to fund 40% of the cost of works, has been signed by most councils but by few RPs and some larger RPs continue to claim DFG on all works. Even where protocols are signed, the local authorities have no "teeth" to enforce the protocol and if an RP tenant applies for a DFG (sometimes with the explicit support of the RP) they have no choice but to fund this work, although in attempting to enforce protocols, councils acknowledge that works to the customer can be delayed. We also interviewed larger RPs who are clearly astute in making best use of DFG: funding works themselves in areas where protocols exist with other landlords, and where the council "makes it difficult" to claim DFG, but claiming DFG in full in areas where councils are quick to process applications.

Our survey and site visits revealed that many local authorities spend a significant proportion of their DFG budget adapting homes owned by RPs: in areas where there is no council housing this can typically be up to 40% of the total budget.

3.4.1 Making Best Use of Stock

Within the affordable housing sector some landlords are re-using adapted properties extremely well to reduce the need for adaptations but others are relying on DFG to cover costs, and not taking responsibility for good asset management in this way.

With the pressure on DFG budgets, it is important to make best use of existing adapted stock. "Lifetime Homes, Lifetime Neighbourhoods" (ibid) also emphasised making better use of existing stock through accessible housing registers. However, recent statutory guidance on allocations is silent on the question of accessible housing registers.

There is some evidence that local authorities are currently failing to make best use of existing adapted stock. An independent review found that less than half of the accessible homes in London were let to households including a wheelchair user or person with a disability (Evaluation of London Accessible Housing Register, Hal Pawson and Filip Sosenko, Heriot-Watt University and Julia Atkins, London Metropolitan University, published March 2011). By adopting an accessible housing register, the London Borough of Kensington and Chelsea more than doubled the number of lettings involving disabled people who were appropriately housed (same source). Similar work in Devon found that out of 132 properties advertised as wheelchair accessible, only around half were let to someone requiring that type of accommodation (information provided by Devon Home Choice co-

ordinator). If this is the case with social housing, the proportion of adaptations in other tenures which are appropriately used is likely to be much lower.

There are examples of local allocations schemes which not only give priority to applicants who need to move in order to access appropriate housing, but also label all void properties to show whether they are already adapted, and how readily they could be adapted if needed. We recommend strengthening allocations guidance to local authorities to require them to ensure that their allocation scheme supports and facilitates moves by tenants who would otherwise require adaptations, and makes best use of adapted stock.

Some organisations are seeking to make best use of adapted properties regardless of tenure. For example, Incommunities group, a housing association based in Bradford, runs a disabled persons housing register which includes private rented accommodation and accommodation for sale. However, most of the District Councils we contacted did not have any mechanism for matching adapted properties to those who need those adaptations, outside the social housing sector. Some of our recommendations set out above move towards this. Taking a housing options approach to those requiring adaptations is the next logical step.

3.5. Housing Options for Accessible or Adapted Homes

Most local authorities offer housing advice only to applicants whose homes are difficult to adapt – or not at all, and very few have ever used DFG to help applicants to move to a more accessible or already adapted home, rather than adapt their existing homes. Authorities who do offer options advice present evidence on the benefits for both the applicant and the grant authority of considering other options.

For older people research shows that where people make a planned move at a younger age they are more likely to move successfully and retain independence than if they move later, when they may be more frail, have less support, and be more likely to move as a result of a crisis such as a fall, spell in hospital or death or a partner. Therefore, all DFG applicants should be offered housing options advice that considers their long-term housing options, and encourages people to make a planned move to an appropriate dwelling, rather than limited adaptations.

In the affordable housing sector, options advice can be provided by the landlord, the Council or another body acting on its behalf. The council's allocations scheme can label properties according to the level of adaptations they have – or their "mobility level" – and can then either:

- Advertise these properties widely, through choice based lettings, but with clear information that bids from people assessed as needing the adaptation will be given priority, or
- Contact applicants who have been assessed as needing the application directly, either to encourage them to bid in an open scheme, or to offer the property directly to them.

Housing options does not have to be constrained to the affordable housing sector, but should be offered to all applicants. Options advice should consider a range of possibilities and costs, and consider whether the home will be suitable for life-long occupation, after adaptation, whether the occupier can afford to stay long-term, and the needs of other households members. In order to give housing options advice, staff need training in the range of options available, financial mechanisms, and in assertive interviewing techniques so that they can support people to think about issues they may rather avoid, such as their future care needs.

In the privately rented sector, applicants can be assessed for an adaptation or a move to affordable housing, as well as considering whether they could afford to move to a shared ownership home. Some local authorities have purchased adapted or adaptable homes on the open market, for sale to applicants on a shared ownership basis, in order to secure suitable accommodation for the long-term.

Where a DFG is paid on a private rented sector property, the local authority should be able to ask the landlord to work with them, to secure the home for a long tenancy for the current occupier and to make it available to other disabled applicants when it becomes void. This approach can be tied into the council's wider private sector housing role, as part of an ethical lettings agency, or councils may wish to use a leasing option to under-write rent in void periods, and ensure the home is made available to someone who needs it. Of course, the needs of the landlord are important too, but many landlords, having had a home adapted, are willing to work with the local authority to ensure that it is let to a suitable tenant in future.

Where local authorities are working with developers to ensure that new schemes contain a proportion of adapted properties it makes sense for them to include these on a database, and, offer a service so that when people want to sell adapted properties they can contact the local authority to see if they have anyone who might be interested. This extends the role of options advice into the homeownership sector. For the seller there is the potential to avoid a large estate agents fee (although district council's may wish to charge a smaller fee for this service) and the buyer knows that they are getting a property which is already adapted (even though some additional work may be required to make it suitable for them). The local authority benefits by ensuring that the property is made available to someone requiring those adaptations. Some registered providers already offer this service, as it assists people to find the property they need. If equity loans were introduced, the need to repay the loan would have an impact on the value of the house, and hence increase the sellers' motivation to find someone who needs – and can pay for – the adapted home.

Other options to consider for home-owners include whether the home is suitable in the long-term, moving closer to family, or possibly moving from living alone to a sheltered housing scheme, or retirement living complex, at an early stage, in order to reduce the risk of isolation, and possibly of needing to move into care at a later stage. Consideration of whether the home will be suitable if care needs develop or increase needs to be handled sensitively, but should not be avoided.

We also recommend that local authorities should consider the level of demand for DFG when developing local planning policies, and then use existing planning powers to increase the supply of new homes which are fully wheelchair accessible where evidence supports this. A greater supply of adapted accommodation across all tenures will increase the options

available to disabled people, and reduce the pressure on DFG budgets. Some districts have a strong track record for negotiating with developers to provide new housing which is fully wheelchair accessible. For example, Teignbridge has been successful in securing agreements that 10% of new-build properties will be built to full wheelchair accessible standards.

3.6 Delivering Value for Money

Our case study visits highlighted some areas of very good practice where councils have made processes more efficient and reduced the costs of delivering DFG, or have used effective procurement to reduce the cost of the works themselves, making grant budgets go further. All councils who responded to the housing survey said they have undertaken work to try to improve value for money which is positive but surprisingly very few could definitely identify how much money they have saved, or how they have increased the volume of service as a result.

3.6.1 Reducing the costs of grant administration

Some councils have adopted "lean thinking" to slim down processes, or have taken a significant proportion of work outside of DFG, using their Regulatory Reform Order Powers to deliver it more quickly and with less paperwork. For example, Broadland and South Norfolk have fast-track adaptations grants.

In many authorities, elected members have taken the decision to fund only mandatory works – and perversely this is leading to a refusal to use RRO powers, as this takes the work outside the statutory envelope even though in doing so, time and money can be saved.

Shared service teams to administer DFG exist in a number of areas, eg Staffordshire Moorlands and High Peak, whilst some counties have employed dedicated DFG project officers to drive forward change, and implement benchmarking.

The most effective solution seen in our case studies was the development of integrated teams, bringing OTs and housing staff together with the HIA, to create a single delivery team. This is described further in Chapter 7: Innovation, Good Practice and Challenge. Variants of it can be seen in Warwickshire, Norfolk and other areas.

3.6.2 Reducing the costs of capital works A quarter of councils surveyed have undertaken shared procurement of works with other organisations. Savings vary, with some reporting savings of up to 20% on specific items, especially stair-lifts (e.g. North Devon), whilst other councils considered shared procurement proposals and decided not to proceed as they were not convinced it would lead to savings (e.g. Runneymede, Copeland). Over half of the councils surveyed (53%) have introduced a common specification for some works to allow fixed prices to be set against it, and report savings of between 10% (Broadland, North Devon) and 29% (North Warwickshire). Others using the Foundations AKW framework for specifications report savings of up to 25% (Runneymede). None of these savings have been tested by the researchers, but are as reported by the councils.

3.6.3 Changing the nature of works specified and delivered

Some councils who reported reducing demand for larger works under DFG believe that this is as a result of changes in the way they are working: where integrated teams operate OTs may better understand what is possible, leading to less expensive recommendations. Costed options appraisals on larger work and officer panels can also help here: Swale BC report that these have reduced the pressure to carry out large adaptations, and give certainty that when a larger adaptation is chosen, all options have been considered.

There is scope to further manage demand by better use of housing options, especially – but not exclusively – within social housing. 25% of councils have identified potential savings by using a housing options approach to encourage people to move rather than adapt. Most councils still only offer housing advice to those whose homes are not able to be adapted, and 13% offer no options advice to DFG applicants at all.

3.6.4 Delivering small works outside of DFG

We were surprised to find that some councils still deliver very minor works through DFG, rather than using a range of alternative powers available to them. DFG is a cumbersome process and for minor works the staff time spent on means-testing is disproportionate to the value of the grant awarded.

Some county councils take a proactive approach to minor adaptations delivering them alongside their equipment provision and sometimes linking in to handyperson services which can also provide minor repairs, and, the installation of tele-care and tele-health equipment too. Our understanding of the DFG regulations is that they were not designed to deal with very minor items which make no structural change to the property and could properly be seen as (and delivered alongside) equipment. For example: delivery of bathing aids, and installation of grab rails to assist the customer in using the equipment provided.

3.6.5 Making delivery more robust and reliable through Home Improvement Agencies

One-third of respondents share HIA services with one or more other districts and report this as a cost saving measure. It may not necessarily save costs to the DFG budget, as most HIAs charge a set percentage fee for grant delivery but, does make it viable to retain a Home Improvement Agency for the area. Shared services vary from a three-district in-house shared service in Cambs, to services commissioned across a whole county, eg in Dorset, Kent and Somerset, and councils who have retained HIA provision report benefits from doing so, especially in terms of the delivery of preventative handyperson services. Eleven councils reported having taken HIA services back in house and identified savings achieved to the DFG budget by doing so in terms of fees paid. However, whilst savings were achieved, arguably the service quality has also deteriorated as a full range of help is no longer available and opportunities to identify other needs and signpost people for help will be missed. 28% of councils now offer no support to DFG applicants beyond assisting with forms, a reduction in the last five years, from the point at which 95% of councils had access to a Home Improvement Agency.

3.6.6 Improving services

Most councils have chosen to focus on improving service quality within current costs. 78% of survey respondents fast-track some DFG applications but, definitions of fast-tracking vary considerably from those who passport the application outside of the DFG process to ensure

completion in a matter of weeks, to those who give additional priority on a waiting list that can still take in excess of a year.

From both our survey and interviews with local authorities we heard about many councils where the relationships between social care and housing are not working well and the system is effectively broken – leaving customers at the mercy of delays caused by both councils (and sometimes by their landlord too). For some customers such delays will lead to them needing (more) home care, or even hospital admission, causing expenditure elsewhere in the public sector. Two-thirds of councils say that waiting time for an OT is a significant issue in their area. Some of these have significant waiting times of their own, so that the total time waited by the customer may be as much as two years – but others could process DFG faster, and are frustrated at the impact of delays.

Chapter 4: Recommendations

From our research, as outlined in Key Findings (Chapter 3) and in full in Section Two, we make a number of recommendations for change, focussed on

- Making delivery more efficient and effective; reducing duplications; speeding up services;
- Making better use of capital, through focussing scarce resources on those most in need, and supporting home owners to access the equity in their homes;
- Re-thinking the role of adaptations in social housing, in the light of housing reform.

4.1 Services should be delivered in an integrated way

Services should be delivered in an integrated way in which the whole service from initial enquiry through assessment to delivery of any aids, equipment or adaptations is carried out by an integrated team, which includes an independent client advocacy role.

We are recommending this because there is evidence that integrated models are:

- Better for the customer: services are easier to navigate, clearer to understand and capable of quicker delivery. In the current two-tier approach, customers often do not know why works are delayed, or who to talk to;
- Better able to manage demand: we found evidence that integrated working reduces the level of recommendations for large works, and leads to recommendations which take account better of what is possible locally;
- More cost-effective: whilst these services are too new to be able to present robust evaluations of savings, early indications are that by reducing duplication and double-handling of cases, staff time can be released to deliver faster services;
- Better able to deliver savings to health and social care, through targeting adaptations, equipment, care and preventative interventions at individuals identified as being most at risk, from a health or social care perspective.

There are costs of transition associated with any change, but there is evidence that in the longer-term the cost of delivering services can be reduced, leading to increases in service volume or to savings. Some transitional funding should be made available to support the change.

There are two alternative routes by which this can be achieved:

4.1.1 Integrated teams created voluntarily at a local level, with shared responsibility for the budget, delivery and service outcomes, integrated service delivery and shared (or pooled) budgets overseen by a delivery board. This option can be delivered at the level of the county, with buy-in from all districts, or can be a district-level solution supported by the county.

These models are described in more detail in chapter 5, which considers the relative advantages and disadvantages of the two main options.

Integrated service delivery is more efficient and better able to defray health and social care costs, but there are up-front costs of change; a transformation fund should be provided to support councils with the up-front costs of moving to a more efficient and effective model of service delivery.

There are risks associated with any change. Where districts are delivering well and in an integrated manner, transfer to another body could reduce service quality unless the partnership approach and shared expertise continues.

We recommend that integrated delivery should ideally be co-located with a Home Improvement Agency. Not all DFG applicants need support, but for those that do, linking into wider support services is effective in preventing future needs. HIAs are effective in identifying other needs including, but not limited to, those that affect the home; and independent agencies in particular are extremely adept at identifying resources to help vulnerable home owners to repair and maintain their homes in a safe and warm condition, extending the period for which an older and/or disabled person can remain independent in their own home. The reduction in support for and existence of HIAs is a cause for significant concern, leaving many older and vulnerable people without access to preventative services.

4.1.2 Whole-scale transfer of the responsibility for the DFG to the Adult Social Care authority

who would then be responsible for creating integrated assessment and delivery teams, ideally working with a Home Improvement Agency. Transfer of responsibilities carries risks associated with any change, as well as the risk of breaking positive connections to housing options, renewal and public heath, but could strengthen resource planning by linking adaptations more closely with equipment, care and preventative initiatives. Wherever the DFG service is located, access to adaptations and preventative services should not be restricted to customers who have high needs, as identified by FACS (Fair Access to Care services) assessments, as happens in some counties. Restricting to those in high needs, pushes services “downstream”, meaning that people have to wait until their needs worsen – irretrievable – before accessing help, and as a result higher cost interventions are likely to be needed.

4.2 Local authorities should be required to set out a clear Local Adaptations Strategy

The District and County Council should work together, with other interested groups including the clinical commissioning group to determine how services will be delivered locally. In order to promote the development of effective local adaptations strategies, central government should provide clear guidance on the requirement to produce a strategy, and provide support to local authorities in developing these local plans.

Each strategy should clearly identify the level of needs for adaptations, and predict future needs and demands on services. It should identify how the councils and other partners will work together to:

- Prevent the need for major adaptations through providing advice, support and preventative services;
- Provide a housing options service to people in need of accessible housing;
- Meet the needs for minor adaptations;
- Meet the needs for major adaptations for home-owners and for private renters;
- Support Registered Housing Providers in working with disabled tenants of affordable rented housing;
- Ensure best use is made of resources, including the re-use of adapted homes wherever possible.

It should set out local funding arrangements, including arrangements for loan finance and for grant applications, as well as planning how the authorities together will resource the services required.

The councils should involve local disabled people or their representatives, and third sector organisations in the development of the strategy.

4.3 Disabled people should be supported to make positive and responsible choices about their housing

There is evidence that where people are supported to make choices, they often choose lower-cost and lower-intervention solutions, and are more satisfied with the results. Many DFG customers have some resources – income, or the equity in their homes – which they can deploy towards a solution, but need advice and support to identify and implement the change. Home Improvement Agencies, or other advocates, can be extremely helpful in supporting positive choices. In supporting choice, customers need information about a realistic set of options, including moving home, access to equipment, and their future care and support needs.

Supporting positive choices, and encouraging personal responsibility, will bring the approach to disabled facilities in line with other welfare provisions, including the capping of benefits, encouragement to work, and the expectation that older people will contribute to their care costs, using equity from their homes where it is appropriate and possible to do so.

4.3.1 Equity Loans should be offered instead of grants for many applicants, supporting applicants to choose whether to adapt, to use equipment or to move.

We are recommending a major shift in the way in which people are supported to adapt their homes, from a presumption of grant for low-income householders, to a system in which equity loans are made available to those who have a reasonable level of equity in their home.

Equity loans are already a potential source of funding for adaptations. A report commissioned by DCLG (DFG allocations methodology and means test, BRE research published by DCLG February 2011) recommended a significant increase in use of equity loans to fund works.

"Using equity to pay for adaptations is never going to be popular, but in the current economic climate it is going to be necessary."

This is a complex proposal, and we have not modelled the impact it will have on different local authorities, but many case study authorities expressed enthusiasm for a system which would remove the requirement to grant fund those who could release equity.

In practical terms, we recommend that:

- Local authorities should facilitate access to loans rather than grants for all works of a substantial nature where the home-owner has sufficient equity to do this;
- Local authorities should specify how their grants operate in their local adaptations strategy. This will include: i) the level below which equity loans will not be considered (perhaps in the region of £5,000 or such a level as to pay for showers, but not larger adaptations) and ii) the minimum amount of equity a homeowner should have, before they will consider an equity loan. As an alternative, these levels could be set nationally, but house prices and the cost of works vary, and we believe that it is appropriate for this to vary across England;
- Householders who take out an equity loan for approved works should be allowed to count this as a contribution towards care costs if they require care at that point, or within five years from the date of completion;
- Loans should be interest-free initially (for the first five years) and repayable on the sale of the property. There should be provisions to allow householders to repay early if their circumstances change.

4.3.2 The government should consider making an equity loans pot available

Government funding for equity loans would provide significant support for adaptations, and would be repaid on the sale of the properties, so over time will become self-financing. This could be similar to the "Help to Buy" loans fund established in the March 2013 budget for supporting house purchases, but on a smaller scale. The home purchase equity scheme offers equity loans of 20% of the purchase price of the property to eligible applicants, and an equity scheme should also have clear eligibility and maximum loan regulations. We feel the best option is that Government should consider making a national equity pot available, or alternatively establish a national equity loan scheme for DFGs with nationally approved providers.

4.3.3 Housing Options advice should be offered to all applicants for DFG.

All applicants should engage with an advisor at the start of the process to consider their long-term housing options. Taking a housing options approach can lead to sensible, planned moves, rather than adapting a home that is not going to be suitable in the long-term. Moves can include purchase, part-purchase or moving into rented accommodation. For example, options advice may enable an elderly owner-occupier to move to suitable sheltered accommodation which will meet their needs for the rest of their life, rather than making expensive adaptations to a family home, which are likely to be removed by the next owner.

In order to be effective, options advice needs to be at the heart of the adaptations process. Ideally, options are discussed with the customer at the beginning, before raising their expectations of an adaptation.

We do not underestimate the impact on a household of being expected to move rather than to adapt an existing property, and clearly location and proximity to family, care and health services will be important factors when considering whether a move is the best option. But it does not make economic sense to carry out significant adaptations to a property when a suitable adapted one is vacant nearby, or the customer's needs could be met through an un-adapted ground floor flat or bungalow.

In order to promote effective options advice, we are therefore recommending that revised guidance is issued to local authorities. To deliver this, councils will need to train staff in DFG teams (including OTs) in taking an options approach. Councils may choose to employ specialist options advisors within the integrated adaptation team, to train several staff in assertive interviewing and advice skills, or to rely on advice from trained advisors employed by the authority or a partner to provide wider options advice. There are no real risks associated with this recommendation, and the costs of implementation are low.

This recommendation works in conjunction with the proposal to move away from mandatory grants to equity loans, and to allow local authorities to specify the level of maximum grant available – councils could offer options advice, and would not be required to pay large grants to people who refuse to take a reasonable alternative solution offered.

Current DFG guidance is focused on adapting the existing home and a move is generally only considered where it is not practical to do so, although a very small minority of district councils are now taking a housing options approach, to look at the households long-term housing need and consider whether a move would be more appropriate. DFG budgets can already be spent on supporting such a move.

4.3.4 DFG funding should not be paid to people who choose to move to unsuitable homes.

In common with legislation on the allocation of social housing, we are recommending that legislation on DFG should allow councils to refuse adaptations to the small minority of applicants who make false representation or deliberately worsen their housing circumstances. Some applicants are reported to have moved from adapted or accessible housing into unsuitable housing, only to apply for a new DFG. Legislation of this nature would encourage responsible decisions, rather than an expectation that the council can pick up the bill, and would support councils in giving clear options advice – with consequences for unreasonable actions.

We do not envisage that this provision will be used on many occasions, but it provides an important tool for Councils in giving advice, and explaining to customers their need to act responsibly. The provision needs to be backed by the potential to refuse assistance, or to prosecute where false information has been given, or key facts disclosed.

4.3.5 A national network of Independent Living Centres should be developed

Independent Living Centres support disabled people in accessing early functional assessments, and making informed choices about their housing, equipment, care and

adaptation options for the long-term. We are recommending that a new network of such centres should be delivered through an expansion of the Care and Support Housing Fund, a £200M fund announced from 2014/15 to stimulate the development of a wider range of housing options for older people. Investing in these centres would enable much higher numbers of older people to benefit from the fund, and to find affordable housing solutions that avoid the need for residential placements, than investment in accommodation-based solutions such as extra-care housing.
Independent Living Centres allow people to receive advice, and try out a range of items including tele-care. Customers are enabled to self-serve and often select lower costs options of their choice than may otherwise have been implemented by professionals. The new centres would be used to showcase what is available to enable older people and people with a disability to continue to live independently, covering both equipment and adaptations.

These centres have a range of potential advantages:

- Centre-based assessments increase significantly the number of people that an OT can see in a day;
- OTs are encouraged to consider all options, including whether the provision of simple equipment can meet current needs, thus avoiding or deferring the need for a more expensive adaptation;
- Experience suggests that many of those attending centre-based assessments feel confident to go out and meet their own needs, having seen and tested the equipment.

There are some Independent Living Centres already in existence, usually developed by unitary or County Councils, but many areas of the country have no access to a centre. Investment in a network could reduce pressure on DFG, and provide better solutions to customers. This recommendation would be linked to other recommendations, for example by locating a housing options and advice service in the centre, to provide information and help people to identify their options and make reasoned choices.

4.4 Grants should be provided as a safety net for those least able to help themselves.

In common with other strands of welfare, grants should provide a safety net, at a minimum level, encouraging people to make responsible choices but ensuring protection for the most vulnerable, who are likely to be recipients of a range of state-funded health and social care services.

Where a grant is paid the household should be required to consult with the local authority to allow them to alert applicants they know of who may be interested in the adapted home. Initiatives to help home-owners to find adapted homes to move to would help to rebalance the current emphasis on meeting the need for adapted properties largely in the social housing sector, and to ensure that the adaptations continue to be used in future

Local authorities should also have the discretion to pay grants instead of loans, where they believe that the homeowner will not otherwise carry out the works, and that without

adaptations, there is a real risk of harm, including the risk that the disabled person will require hospitalisation or residential care.

Local authorities could operate cross-tenure registers of people looking for adapted housing, or develop accessible housing advertising alongside their existing choice-based lettigns or private-sector lettings schemes, or they could work with a Registered Provider who is active in this area. Some Registered Providers already operate sale- and buy-back schemes on shared-ownership and market sale homes, and would be willing in some cases to purchase adapted properties for resale, resale as shared ownership or renting.

4.4.1 Mandatory grants should be available

For private sector occupiers who do not have sufficient equity for a loan, and who cannot afford to pay for the works themselves, there should continue to be a mandatory grant, up to a locally specified maximum. Local authorities should work proactively with applicants to consider all options, including moving or using equipment, before offering a grant, and should be able to withhold grant where there is a reasonable alternative available.

We expect the combination of loans and options work to reduce demand for larger adaptations in many areas but, local authorities will still need to plan and deliver services to support very vulnerable applicants who need significant adaptations, and where alternatives are not viable, ensuring they meet their statutory responsibilities under social care legislation.

In order to bring in this change, DFG applicants would undergo a two stage test:

- Do you have enough income or savings to pay for the works either directly, or by borrowing in a conventional way against your income (revised means test)?
- Do you have enough equity in your home, to pay for works on an equity loan?

Applicants who lack income, savings and home-based equity would be eligible for a mandatory grant. We are recommending that local authorities should set their own upper threshold in the local adaptations strategy.

4.4.2 Registered Provider tenants should no longer be eligible for DFG funding.

Adaptations to Council homes are funded through the rental income to, and sales of homes by, the local authority landlord. Registered Providers of social and affordable rented housing should similarly fund adaptations for their tenants, through careful use of their own assets, and should be required to plan to do so.

Registered Providers have significant assets built up to a large extent through previous public investment, and the management of these assets should not be funded by the public sector. Transferring the costs of adaptations to the RPs would encourage them to take a proactive approach to housing options and to making the best use of their stock, ensuring that accessible and adapted homes are re-used wisely and adaptations are not wasted.

This change would reduce demand for DFG in areas where there is no longer council housing, and in some areas this could lead to a drop in demand of up to 40%.

Councils will be expected to work proactively with housing providers to ensure that there are opportunities for tenants to move locally into housing which is already adapted or readily adaptable, using an adapted housing register or other suitable approach, and should have the power to step in where an RP has not responded to a request for adaptations within a reasonable amount of time, undertake the work, and recharge this to the RP.

4.4.3 Minor, non-structural items should be treated as equipment, not as DFG.

Items which are not making a permanent change to the home should not be funded from capital, but, whilst this approach is taken in many areas it is not universal, so should be clarified in new guidance.

Taking DFG applications for such minor items is disproportionate to the value. For many applicants minor items such as grab rails and moveable remaps are installed in order to support the use of equipment, and more enlightened county councils already deliver these items as part of the equipment service, often through a handyperson or HIA.

There is potential for more effective procurement and recycling of equipment, especially of stair lifts. There are currently few providers in the market offering recycled stair lifts, but we believe that councils can work with providers to develop more effective options, possibly including leased solutions, under which stair-lifts remain the property of the providing company and are serviced, maintained and recycled by them.

There is also scope for integration of services that deliver minor adaptations, minor repairs and the installation of equipment, though Home Improvement Agencies.

4.4.4 The means-test for grants needs to be updated

Updating the means test is required to take account of changes in benefits arising from welfare reform, and also to make it simpler and less expensive to administer.

The current means test is difficult for applicants to understand. It involves four calculations:

- Calculate how much someone needs to live on;
- Compare with actual income to see if they have surplus with which to repay a loan;
- Calculate how big a loan they could afford to repay with surplus income;
- Compare cost of work to loan they could afford.

One of the difficulties with the current means test is that it assumes that people can get a loan to cover the cost of some of the works, without addressing the question of where the loan will come from. Our recommendation below looks at setting up a national equity loan scheme for home owners to pay for adaptations work to their properties. The new means test should align with this.

Some specific areas which need to be addressed urgently include:

- Use of Council tax benefit as a “passporting benefit” now that it has moved from a national to a local scheme;

- Introduction of Universal Credit which would bring a greater number of people into those on "passported benefits" than is currently the case.

In future the means test should apply to all applicants including households with a child with a disability. Households with a child with a disability are currently exempted from the means test, but there is no logical reason for this, and the means-test should be able to take account of the costs a family incurs in caring for a disabled child. Applying the means-test to disabled children would ensure that such families can receive advice on their long-term housing options and consider whether adaptation is really the best solution; can plan for the needs of their family with access to an equity loan or mandatory grant if they meet the criteria.

For smaller districts, reducing the number of large adaptations for children funded by mandatory grant would enable services to address a much wider range of needs.

4.4.5 The national distribution formula for grant-funding should be updated, to take account of demand which could be met through equity loans in areas of higher property values and better housing conditions, and to reflect other changes, including welfare reform.

A recent briefing paper to Parliament suggests that MPs are already asking questions about the distribution formula. Updating the distribution formula would ensure that future allocations are targeted more effectively at areas where the resources are required.

The current formula for calculating how much of the DFG pot each local authority receives is based on five variables:

- Numbers claiming disability related benefits
- Proportion of population aged 60 or over
- Proportion of people on means-tested benefits
- Proportion of the housing stock not owned by LAs
- Regional building price factor.

An ageing population is seen by most local authorities as a key factor in the increasing demand for DFGs, so some factor in the calculation should relate to age profile. Sixty may no longer be the right age to use and the government could consider substituting an older age or aligning it to the age at which people will become eligible for a pension in future.

The number of people claiming disability-related benefits dropped significantly between August 2011 and August 2012 (reduction of 65,000 claimants) and is anticipated to drop further. The incorporation of income-related Employment Support Allowance into Universal Credit will make it much more difficult to identify numbers on disability-related benefits. The number of disabled people living in an area is relevant, but the formula may need to be amended to reflect this change.

Given that DFGs are means-tested, it would be sensible to continue to use a formula which includes a variable of numbers on a means-tested benefit. There is a question about whether Universal Credit is the right variable but there may be no simple alternative. Care will need to be taken if UC is included in the future formula that this does not lead to significant swings in funding levels in different areas, which would be difficult for districts to manage. The proportion of the housing stock not owned by local authorities is no longer

relevant. Many local authorities have transferred their stock to housing associations. For those who have retained stock the HRA reform included consideration of funding levels needed for adaptations. We have commented elsewhere on funding for adaptations to social housing. In theory, the greater the proportion of owner-occupied stock, the higher the potential demand for DFGs, but a formula weighted by tenure would benefit mainly richer areas of the country, and not be a sensible proposal.

There is an argument for including a weighting for build costs, in the absence of robust information about comparable price differences between areas, so this variable should remain.

4.5 There should greater revenue support for early, preventative services

There is no lack of evidence that adaptations, supported as appropriate by the provision of equipment including telecare equipment, can lead to real savings for other services by:

- Delaying or reducing the need for homecare
- Delaying or reducing the need for residential care
- Preventing hospital admission for falls
- Facilitating earlier discharge from hospital
- Reducing health costs associated with contractures, pressure sores, ulcers, infections burns and pain.

The desktop review section of this report summarises existing evidence and cost savings.

Recommending an increase in support for handyperson services and initiatives to support older people reduce their utility and heating costs is straightforward, but the critical issue is determining how this should be achieved. Savings are expected to accrue to health and social care budgets, so up-front funding should be identified from these areas. This could be achieved through further national rounds of handyperson funding, or through encouraging CCGs to invest in preventative services including “repairs on prescription”.

4.6 Longitudinal research should be carried out

There have been numerous reports on adaptations and funding preventative services, but most are based on assumptions which are open to questions, and none look carefully at which of the many different home interventions are the most cost-effective. We recommend that longitudinal research be commissioned to follow a cohort of disabled people over time (or to look back at the experiences of disabled poeple who have received adaptations, as compared to those who are still waiting), examining the impact on their lives of DFG-funded adaptations and other preventative interventions. With the correct sample, the research would be able to address questions such as:

- On average, what proportion of DFG-funded adaptations remove or delay the need for other interventions, whether this is care or medical?

- For how long does a DFG-funded adaptation delay the need for another intervention, whether this is care or medical?

- How much more quickly can a hospital discharge take place when an adaptation or similar intervention has happened?

This research would augment the existing evidence and will hopefully provide commissioners with a more detailed understanding of the potential cost-savings that can arise from a DFG. It would allow commissioners to understand which works are most effective in preventing or delaying care and medical costs, and to plan investment and services on this basis.

Such research would ideally be co-ordinated by the new "What Works" centre for Ageing Better, announced by the Cabinet Office in March 2013, and funded by the National Lottery.

5. FUTURE DELIVERY MODELS

In developing future and more efficient delivery models consideration has been given to a range of factors including timeliness, effective use of both capital and revenue resources, performance management, effective management control and customer experience. In developing new models, we have looked at what is working particularly well in districts at the moment. More information about the case study authorities – what is causing problems as well as what is working well – can be found in Chapter 6, Innovation, Good Practice and Challenges.

5.1 Good Practice Models for DFG Delivery – Case Study Examples

Substantial gains to successful delivery of DFG can be obtained by establishing a champion for delivery of DFG. This was very evident when visiting Melton Mowbray where a County Council lead had supported the development of common service standards and timescales for delivery across the County. Although there were recognised differences including levels of funding affecting individual districts, all individual services were working to common standards and delivery timescales which were regularly reported on. This has helped minimise a postcode lottery for service delivery and encourages shared learning and a degree of competition between the districts. Similarly, Broadland and South Norfolk identified that service change had only come about as a result of the passion of two individuals driving forward a partnership.

Co-location of OT Services (including OT secondment) alongside Housing or HIA staff can provide substantial benefits. This was most notable within Norfolk, where OT staff, housing staff and HIA case workers have come together to form integrated adaptation teams at a district level, but delivering to a set of common policies and procedures agreed across the County. Key to the effective implementation of the project in Norfolk has been the oversight of a shared board with representation from county, district and housing providers.

An integrated approach to initial assessment offers the best opportunity for customers to be given choices at the start of the process, including advice on self-funded alternatives, waiting times, and access to housing options advice. In Norfolk, an effective triage system ensures that only one application is needed, and that all the details needed for both assessments by the OT and grant determination, are collected at the start of the process. This allows applicants to be fast-tracked where appropriate, and if a home visit is needed it is carried out by the most appropriate team member, rather than wasting professional OT time, or duplicating work with multiple visits.

Outsourcing to a HIA can be an effective solution. The issue for this approach is to ensure that adequate controls, agreements, and monitoring arrangements are in place to address any identified risks. A good example of this is South Staffordshire where the whole DFG service, including statutory determination, is outsourced to Metropolitan HIA: an OT is also seconded into the HIA Team and regular performance monitoring and case checking ensure effective management, and the continuation of cooperation between the District and County Council.

The application of lean systems methodology to the DFG process has had substantial benefits in some areas, stripping out unnecessary visits, paperwork and over bureaucratic

processes, reducing duplication and resulting in reduced waiting times for DFG delivery. Notable examples of this approach are Carlisle, Wyre and North Warwickshire.

5.2 Exemplars

The following three authorities provide excellent examples of service delivery options which can be chosen to support more effective delivery.

5.2.1 Exemplar One: Warwickshire Districts and County Council

Summary : An internal HIA within Nuneaton and Bedworth, also providing services for North Warwickshire. DFG delivered with strong support from the County. A collaborative board has been established between Districts and County which has driven forward a lean systems review of DFG delivery. OTs are situated in close proximity to HIA and Housing Teams in Nuneaton and Bedworth.

County-wide approach: A County-wide review of DFG services was conducted in 2012, which has led to significant re-engineering of processes. The County-wide key elements of the service are:

- A collaborative co-ordinated system which focusses on early intervention and prevention
- A comprehensive assessment of needs within a set criteria
- Signposting to other appropriate sources

The new arrangements have the ability to demonstrate substantial benefits for Warwickshire residents and also those organisations involved in delivery. The substantial change has not been straight forward to implement, and is rolling out at a different pace across the County. Nuneaton and Bedworth BC and North Warwickshire BC are the forerunners to rolling out the service model to other Districts. Some of the barriers to implementation have included:

- effective IT systems to support the model
- formalising new working arrangements
- redefining job roles, for example, OT Assistants and HIA Case Workers have a merged role

Local implementation

In Nuneaton and Bedworth BC the in-house HIA sits alongside the OT and Housing Teams. This helps to deliver a comprehensive and more timely joined up service, with a wide range of skills. A close examination of all elements of delivery using the lean systems thinking has greatly simplified the process. There are multiple points of access to ensure that the customer gets the correct and appropriate level of service. Contractor engagement has also been reviewed for certain types of work, allowing staff to contact a builder direct and agree a start date.

The new Lean systems collaborative model is one that other district councils may wish to explore. It has streamlined support for vulnerable individuals needing adaptations or other forms of assistance and has resulted in a merging of job roles between non- qualified OT assistant staff and HIA Case Workers which, following training and skill sharing, is reducing

duplication and delivering a more holistic service to customers. There is a high level of support for prevention and helping people early when they detect problems. Although the model is relatively new and is still being rolled out across the County, some early benefits have been demonstrated, in lower drop-out rates (which were previously running at 40%).

There appear to be many benefits to this approach including closer strategic and operational working, breaking down organisational and professional barriers that hinder shared working, and reduced capital costs.

5.2.2 Exemplar Two: West Somerset, Sedgemoor and Taunton Deane DCs.

Summary: A partnership between the three district councils to deliver the Private Sector Housing service, including DFGs. This is supported by an external HIA. Good relationship with County Council and particularly close working with the OT service. The Partnership has carried out mapping of demand for DFGs using both historical data and future projections of health information. This has helped to secure commitment to retain the level of funding from the three district councils.

Approach: The partnership is bound by a Partnership Agreement. The business model supports future growth – there are no restrictions on the geographical areas that the partnership can cover, and the aim will be to bring other local authorities into the partnership over time. Already Devon have asked the Partnership to do their intelligence mapping for them.

Two area managers are in place to cover the individual District Councils each with specialist responsibilities across a range of private sector housing issues. The partnership delivers the statutory elements of DFG.

Aster Living provide the HIA, which delivers and supports the DFG process. A Senior Technical Officer within the partnership ensures consistency of approach to DFG across the 3 Districts for both policy and procedure, manages the TO's in the partnership and can provide additional support in difficult cases. Aster also supports self-funders, who in appropriate cases can access loans from the Wessex Home Improvement Loans Trust, which now has Lloyds support and backing should the partnership choose with Wessex to draw down from Lloyds against the loan book

OT recommendations for DFG are provided through a single portal and acted on by the HIA. A waiting list is in operation – high, medium and low and reflects FACS criteria. Customers are notified of waiting times and this has been estimated from the trend analysis of previous data. A specific number of cases per month are allocated to the HIA.

Processes have been streamlined with a greater emphasis on the use of electronic documents and forms. Delivery time for DFGs has been reduced, but the partnership is clear that there is scope for further reductions and work is being undertaken to process map adaptations in more detail to better understand efficiencies that could be made.

There has been a high emphasis on low level preventative type services in recent years for example, handyhelp, hospital discharge and assistive technology and the Partnership are of the opinion that this has helped reduce some demand for DFG.

There is a strong emphasis on the housing options approach, with a dedicated Housing Options OT.

5.2.3 Exemplar Three: Teignbridge District Council

Summary: DFG work is carried out in-house. There is an external HIA commissioned by the County Council and in previous years Teignbridge has used the HIA service for some of its DFG work but this has now been brought back in-house. Teignbridge has led County-wide work to raise the profile of DFGs with the new Health and Well Being boards; a Devon-wide leaflet has been produced highlighting the contribution that housing makes to the health agenda. Teignbridge is now working with the Design Council to redesign services to address the question "How do we provide advice to older people to make their homes safer and reduce trips and falls."

Approach: The housing service in Teignbridge has improved dramatically over the past 5 years. A previous Audit Commission inspection gave the service no stars and no prospects; within 2 years this was revised to 1 star and promising. A key component in the improved service was the private sector housing service, including DFG work. The Audit Commission highlighted both the faster turnaround times, and steps taken to reduce the cost.

Housing advice and housing options work: The Council reviewed the team and reduced the staffing by one technical officer post which has enabled them to introduce a dedicated housing options worker (part-time). The housing options worker supports households to look at moving to more appropriate accommodation, as well as providing advice on benefits and other sources of finance. Teignbridge have linked this work to new housing development, so that where a move would offer a better long-term outcome for a household the Council can facilitate the building of a new home for them. There is a small fund (£10k) which can be used to support people to move to more appropriate property if that is a better outcome for them.

Through their Empty Homes work the Council has uncovered a large number of bungalows which are empty because the owner is unable to sell in the current market. TDC are leasing some and have been able to offer them to people on the housing register who need level access/no stairs. They have explored the idea of a register of owner-occupied/privately rented housing to match people to adapted properties but there is no capacity to take this forward at present

The Council feels that more could be done to ensure new housing will meet the needs of an ageing population. Although the Council requires 10% of all new housing (regardless of tenure) to be built to full wheelchair standards, they would like to see, for example, wet rooms as standard in all new bungalows, to save having to adapt them in the future.

Existing adapted social housing is let through CBL but under a separate policy which makes it clear that priority is given to those needing the adaptations. This follows piece of work which showed that one third to a quarter of adapted properties were being relet to households who don't need those adaptations.

Teignbridge is also working with the County Council to develop extra-care housing and also potentially to make better use of existing sheltered stock, both of which can offer a real alternative for some people seeking adaptations.

Teignbridge funds a local voluntary agency to offer independent housing advice to older people, which includes advice on adaptations. This service saw 75 people in the first two months of operation.

Service delivery: Work has gone into ensuring value for money for adaptations. Teignbridge tendered and now has fast-track arrangements in place for stair-lifts and level access showers. This work was extended to cover the wider Devon area but unfortunately no local contractors were successful in this wider contract. Teignbridge are still considering the best way forward as use of local contractors is particularly important to Members and the Council currently receives a good service from its local contractors.

There has been some joint training with OTs and a new joint pathway has been developed, which seems to be working well. Further joint working with the County will depend on the new HIA service which will be tendered by the County.

Devon has a formal compact in place with RPs, this has been running for just over a year. 12 RPs have signed up. The compact requires RPs to fund adaptations up to £3k, higher cost adaptations are referred to the local authority. Teignbridge are monitoring the compact closely.

5.3 Ideal Delivery models

Building for a range of good practice in many districts, we have developed two theoretical models of delivery, both of which offer an integrated approach to services, focussed on effective planning, financial management, and a reduction in duplication between roles.

The advantages of all integrated delivery options can be summarised as:

- Reduced duplication resulting from better communication, and increased trust between professionals;
- Better customer service as applicants need deal with only one team, and are not left confused as to who is dealing with them and when;
- Significant improvements in service delivery and reductions in costs for many authorities (but not necessarily for those who are already top performers).

What should lie at the foundation of this approach is to improve delivery and total outcomes for customers. It will be essential therefore to ensure that customers have access to wider preventative type services as a result of the closer integration exercise. This will not only provide opportunities for early intervention and potentially reduce demand for more complex support at a later date saving precious resources, but will also result in greater independence for customers ensuring that they can reach their full potential

5.2.1 Model 1: Integrated delivery of DFG by the Social Care Authority

This model assumes that services can be restructured to transfer responsibility to the social care authority and that in doing so fully integrated teams can be created. Without legislative change districts and counties could come together to create a single effective service with shared teams, shared or pooled budgets, and the potential to link into a county-wide loans

service. However, there are a number of factors making this really challenging, so it is not surprising that in the vast majority of areas, there is not the political will to make it happen. Hence, to ensure effective change across England and bring delivery in districts in line with arrangements in unitary and metropolitan authorities, will require government to introduce a change in legislation and funding arrangements, to which local authorities must respond with appropriate restructuring of the whole adaptations service

The driving force behind this model is the understanding that the current delivery model is inefficient and ineffective, and that whilst some districts and counties have developed exemplary co-operative arrangements, this will not be achieved by many councils without legislative change.

The advantages of this model can be summarised as:

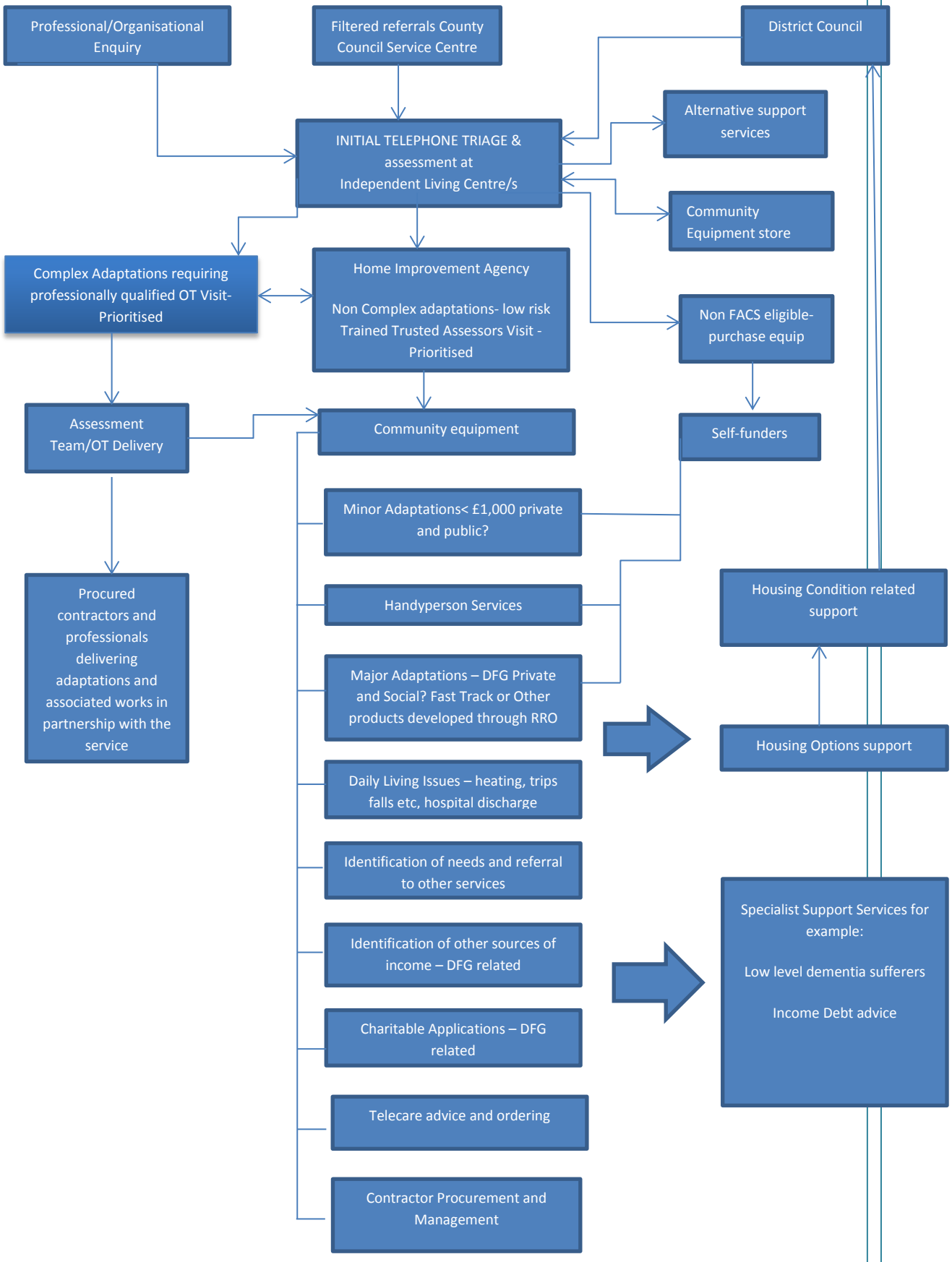
- Advantages listed at 5.2;
- closer integration of social care and preventative/community services into the delivery model, encouraging better use of resources as commissioners take responsibility for the care, support, adaptations and equipment for a customer, and cannot cost-shunt to others;
- more effective demand management, with the whole process resting with one authority, able to manage peaks and troughs in demand;
- potential to target resources at services which have the most impact on health and social care budgets;
- potential to distribute grant resources across a county according to need or demand, and thus to ensure fair access across district boundaries;
- connects well to use of a single Independent Living Centre for assessments;
- opportunities to develop a wide range of inter-connected preventative services;
- model lends itself well to development of the retail model for community equipment services.

Disadvantages

- Increased responsibilities for the County Council (with potential to increase efficiency and improve outcomes);
- Increased financial pressures for the County Council (can be mitigated if proposals for equity loans are also adopted);
- Dismantling of some services within districts that are working well (and transfer of these to County responsibility with minimal disruption);
- Potential for a fracture with housing-related services that need to connect to DFG, especially housing options support for people to move, and access to minor repairs services (to be mitigated by close links to a HIA, and implementation of a housing options approach to assessment and support.

The overall development and delivery of services should sit with a single coordinating manager responsible for the whole process from initial triage through assessment (by OT, OTA or other assessor), support to customers in making decisions (about moving, adapting, using equipment), and delivery. The team will need to work very closely with an independent living centre (if available), Home Improvement Agency, and home care services, as well as with hospital based OTs.

County Council Delivery Model



The county-wide model lends itself to integration with pooled budgets and the retail model of equipment services. Delivery of the whole process could be outsourced to an arms-length company or social enterprise delivering effective preventative interventions, telecare, handyperson services, repairs-on-prescription and other HIA services, within a single organisation which can charge those who are able to pay, whilst providing access to grant- or loan-funded solutions for those on lower incomes.

West Somerset have a partnership of three districts who have created a single private sector housing team, and set this up as an ALMO, to allow it to take on work for other agencies.

In the research, we did not identify any arms-length integrated delivery teams, but there has been considerable interest in the use of social enterprise vehicles in social care, and there are some excellent examples of service delivery in health using this model. Home Improvement Agencies using this model have discovered that it allows them to stabilise funding, offer a wider range of preventative services to customers, and respond more quickly to changes in customer demand.

5.2.2 Model 2 – Integrated Services delivered at a single or multi-district model

Integrated teams can be developed at a district level – either for one district alone, for small groups of districts working together, or as a county-wide model where integrated teams serve all the districts in a county. Delivery at a single district level is extremely difficult to achieve, due to the need for the county to engage in effective partnership and forward planning. In many areas, districts have tried to promote effective partnerships at this level, and been met with objections about delivering unequal services in different parts of a county area.

Any district level service integration depends upon:

- Cooperation between the District (or Partnership of Districts) and the County Council;
- Senior level support from both members and officers;
- Establishment of an effective partnership board for governance;
- Effective project management for implementation;
- Effective on-going management of integrated services, to prevent fragmentation or divergence from agreed approach;
- A common approach to service standards and performance reducing postcode lotteries for service quality.

A key objective should be to bring together the matrix of services delivering DFG where possible. Occupational Therapy staff should, by consent of the County, be in close working proximity of the main delivery staff aligned to them and encouraged to take part ownership in the responsibility for funding issues, financial consequences and impact of waiting lists for assessment on District Council finances. Having regard to geographical limitations, attention should be given to plugging gaps in wider service provision and whilst recognising varying budget pressures between individual districts, working to develop policy and monitor common service standards and performance management arrangements. Pooled rather than shared budgets may offer advantages in procuring certain types of work by increasing

buying power and volume to attain better prices. In the longer term, efficiencies, savings and customer benefits will be realised.

In implementing this approach, councils may choose to implement a solution all at once, or to take a phased approach to roll-out, by establishing the model service in one district initially.

The advantages of this model include:

- Advantages listed at 5.2;
- Efficient use of resources with the ability to develop and share a wider range of services across district boundaries;
- Ability to develop common service standards and policy across all districts within a county boundary eliminating a postcode lottery for service quality;
- Wider more generic job roles for non-professional support staff providing service efficiencies, capacity and greater job satisfaction;
- Improved cooperation and understanding between agencies;
- Ability to deliver different services in each district according to local priorities and resources.

Disadvantages to consider include:

- Potential for differing decisions in districts to unseat the partnership;
- Significant resources need to maintain the partnership approach;
- Requirement to deliver at district level increases costs for county, eg maintaining OTs in all teams, rather than spreading resources according to need;
- Perpetuation in postcode lottery when some districts have much greater access to resources than others.

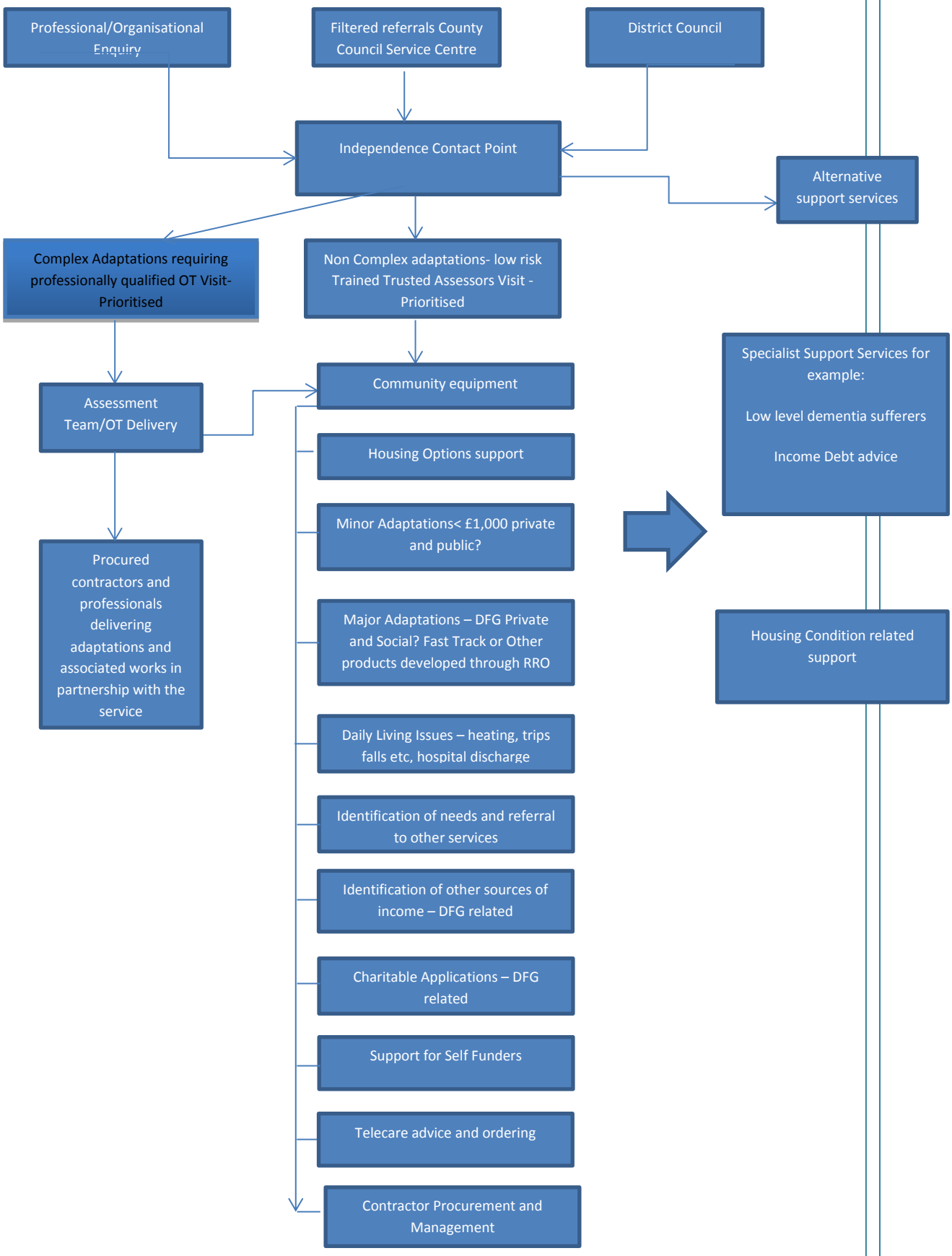
The most efficient and effective district level delivery will be where all districts co-operate and come together to form a partnership, with common service standards and policies across the county, participating in shared procurement, and making use of share Home Improvement Agencies to reduce costs.

Other district level solutions include areas where one or more districts are championing some sharing of performance management and procurement, but without taking a partnership approach to policy, decision making and performance management. We do not believe that this low-level co-operation achieves the step-change needed in the current context, where pressure on resources – and the wait for services in many areas – necessitates a whole-systems approach to improving delivery and making resources go much further than they do now.

The following diagram shows a scope of services, based around adaptations as the core business, and assumes that all districts within a county have agreed to work together in a partnership approach.

More information on the case studies we visited can be found in chapter 6.

District –Level Delivery of Integrated Services



Chapter 6: Innovation, Good Practice and Challenges

Case Study Examples

As part of the research we interviewed representatives from a number of authorities to explore in more detail how they are coping with increasing pressures and demands or developing innovative responses. Whilst these interviews show only a sample of what is possible, they provide examples which other authorities may wish to learn from, or models they may wish to adopt.

6.1 Spend

Norfolk authorities report that they struggle with "useless" late allocations in-year, that don't allow then to plan and prioritise effectively; South Norfolk have had underspends some years due to backlogs in the OT system – then bulges the following year – would like longer term financial planning.

Braintree Council has increased its funding contribution from 30k in 10/11, to 65 in 11/12 and now has agreed a three year allocation of 600k – ie average 200kpa – to deal with backlog and establish the appropriate level of future funding.

In Carlisle budget pressures have led to much reduced capacity within the DFG delivery team, and the team are concerned that service may be at risk if this continues.

Many authorities are making their contribution from capital receipts, with concerns that these may "dry up" soon, leaving the Councils with no option but to borrow. E.g. South Staffs - Some concerns that capital receipts will dry up (5 years) and the Council may then have to consider borrowing.

6.2 Predicting Demand

In many areas, effective planning and delivery is severely impeded by a lack of joint resource planning and demand management. Districts reported lack of information about hidden demand, including cases on waiting lists, and a failure to co-operate in planning around peak flows of demand.

One of the most difficult and problematic area for many districts is lack of information about hidden demand, including information held by Counties about potential DFG customers who have not yet had a OT assessment. This prevents districts from effective resource planning and makes dealing with a sudden surge of completed assessments difficult to manage. In most districts visited, although relationships between County and district were described as good, neither organisation took clear ownership of the whole process.

Cherwell are concerned that the referrals they receive do not reflect the true picture and there may be backlogs with the County resulting in hidden demand. Customers can be waiting up to 12 months for an OT assessment. A stock modelling survey is underway which includes a health impact assessment and they are optimistic that this may be used to make a case for housing and its' relationship to health to the H&WB.

Teignbridge have a draft housing strategy for older people which is likely to be adopted over next few months. This includes demographic analysis of population, not just age but factors such as long term limiting illness, which predicts growth in demand. Unlikely that Members will increase budget to reflect this.

The 8 district councils in Devon worked together through the Devon Strategic Housing Group to produce a housing and health briefing note for Members and Commissioners. This identifies that poor housing conditions cost the health service in Devon approx. £9m. It also identifies 150,000 people in Devon living in fuel poverty. One-third of people on the housing register (over 8,000) felt that their home did not meet their health and well-being need in some way, either because of excess cold, overcrowding, not being accessible or lack of repair. 10% of applicants (1,625) felt they needed to move to more accessible accommodation.

The authorities mapped the areas of Devon which experienced the greatest deprivation, and poor housing conditions, which showed a significant correlation with areas of greatest health inequalities.

The briefing draws on work carried out for the Devon Joint Strategic Needs Assessment in 2012 which predicts a 60% increase in the number of people injured as a result of a fall between 2011 and 2030. Where a fall results in a hip fracture, the operation will cost approximately £10,000 with post-hospital care averaging £30,000.

Pendle report that their service experiences significant numbers of successive applications for DFG

Northern Warwickshire had been experiencing a drop-out rate from DFG had reached of up to 40%. They have implemented integrated delivery and have now experienced a reduced demand for DFG, partly due to a greater understanding amongst relevant staff and agencies of how DFG works and what can be achieved, and partly due to more effective filtering systems, tackling low level needs with other solutions.

6.3 Managing Demand

Swale: All cases are awarded a priority by the OT, but using housing rather than FACS criteria. A number of other Kent authorities use the same system (eg Canterbury, Thanet, Dover). Looks at what difference the adaptation will make and at medical urgency – someone may be very ill, but adapt is not actually going to significantly improve their life greatly, then they are not high priority.

For all high costs schemes, a scheme appraisal is carried out with OT and identifies options to discuss with client. If client chooses a more expensive option than the recommended one then they pay the difference if it is more than 5%.

In Craven there has been a drop in the numbers of referrals coming through from OT resulting in an underspend of the budget; this may be due to insufficient numbers of OTs – currently 3 P/T employed to cover Craven. The district is concerned that there may be hidden demand but it is proving difficult to obtain information about the front end of the adaptation process and OT type waiting lists.

West Somerset (Partnership With Sedgemoor And Taunton Deane) have a waiting list in operation – high, medium and low – which reflects FACS criteria. Customers are notified of waiting times and this has been estimated from the trend analysis of previous data.

6.4 Health and Social Care

Carlisle have recently revisited their JSNA and a paper outlining the links between housing and health has been presented to the Health and Wellbeing Board; staff are currently working on the benefits of DFG to the wellbeing agenda. They have previously tried to cost this out, but it proved to be very intensive and so was not completed. Work undertaken by hospital discharge team indicates that it costs £2.5k per night for hospital admissions.

In Nuneaton and Bedworth, the County Council have supplemented the DFG budget in previous years, but the new integrated service means there is some sharing of budgets by County and District staff.

Cherwell are undertaking a stock modelling survey which includes a health impact assessment. They are optimistic that this will make a case for housing and its' relationship to health to the health and well-being agenda.

In Tamworth, the Council has provided some additional funding to the County Council this year for additional OT support to assist with the backlog of referrals.

East Northants are trying to demonstrate the savings that could be made to social care through delivery of DFG, in order to

1) Justify use of a one-off pot of money (Council Tax discount money accrued to county but agreed to be spent in districts) to clear backlog/ waiting list;
2) Make a case for longer term sustained investment into DFG by social care.

This project is joint district/county (their finance service is provided by LGSS for both), and could roll out to other councils where LGSS provide services. At present, it has not involved any dialogue with health, only with social care.

Modelling is using known costs such as average cost of care, but working from some very big assumptions, eg.

- How many people would have gone into care? Currently predicting that those waiting for DFG are more likely to need care than others of same age, but seeking evidence on which to base this;
- How long would people spend in residential care? – assuming 2years 7 months for over 65s, and 10 years for under 65s – but considering separately how to treat disabled children.

Swale conducted an exercise to try to establish the size of savings in care costs that could be achieved through clearing the DFG backlog. They analysed the full DFG waiting list, but found that most people on it were not in receipt of care packages anyway, so there would be no reduction in their care costs by adapting their home. Those who were receiving care were mostly found to need almost as much care after adaptation as before: their quality of life should improve, and strain on carers may decrease, but there were no real savings to be made.

Braintree Council would like to see DFG means testing linked to fairer charging assessments, and better use of personal budgets to allow people choice of more expensive options or extra adapts if they want to.

Melton are monitoring jointly with other districts across the county. All districts capture agreed performance data is captured which is reviewed with the Adult Services Team Leader and reported to Districts' Chief Executives and the Director of Adult Social Services. This joint understanding has supported better joint working: in March 2012, Leicestershire County and Rutland PCT contributed £1m towards adaptations in Leicestershire & Rutland; which was all spent on eligible adaptations throughout the County.

Wyre's private sector housing manager is currently the housing lead for the health and well-being board for Wyre and involved with the County wide board too.

Teignbridge have led work across Devon to influence the health and well-being board. They invited the board to attend Devon Strategic Housing Group, agreed a joint action plan, produced a leaflet highlighting relationships between housing and health and opportunities to deliver savings; and held Member seminar to discuss priorities and working together. The Board have produced locality strategies for each district showing different priorities, but older people and disabled people feature in most of them

6.5 Affordable Housing

In Swale, 40% of the DFG budget each year is spent in Amicus properties (on average). There is an agreement that the largest landlord, Amicus Hortizon, will fund minor adaptations which usually works for jobs under £1500, but sometimes the Housing Association pays for larger works if they have budget left. However, this arrangement is outside of the Kent-wide protocol under which all Registered Providers should pay 40% of all adaptation costs. This protocol has been signed by most Councils, but few providers.

Norfolk authorities tried to map what providers are spending on adaptations in their own stock, but most refused to say. One large provider reported that they dislike the "2 tier system for providers" which means that in some areas they fund all adaptations because the local authority will not, whilst in others they are able to access full DFG for all works. The provider said that if they had to, they would budget to pay 50% in all areas and this would be simpler than the current system.

The largest landlord for Braintree, Greenfields, are very proactive: they are working to reduce costs relating to adaptation by identifying adapted stock for re-use and encouraging people to move rather than adapt. They also have a good level of adapted properties in their stock.

South Staffs have a service level agreement in place for the provision of block grant to South Staffs LSVT for delivery of their own adaptations. In Teignbridge a formal contract with providers has been in place since April 2012, requiring providers to pay for works under £3000, and to refer higher cost works to the council. However, only 12 providers have signed up, and many won't.

6.6 Value For Money

Councils across England are struggling to improve value for money with capital resources under pressure. Where councils have adequate resources, whether due to generous government settlements, available local capital, or low demand for services, then attempts to deliver value for money are often less advanced but, even in areas of less pressure, some councils have a really good focus on performance management and improving service delivery.

6.6.1 Improving Services – speed

Carlisle reduced waiting times from 44 weeks to 10 weeks between 2006/07 and April 2010 through making DFG subject to their Local Area Agreement. With a tough target in place, potentially attracting reward grant, they adopted a "Closer to Home Strategy" and the push by Adult Social Care to keep people living independently at home was a key driver. Over £1M extra investment in 2009/10 was needed to clear the backlog, followed by further social care contributions in 2010/11 and 2011/12(Section 256 monies). The improved delivery has not been maintained at this level over the longer term, as reduced resources have led to service cuts.

In Norfolk, Integrated Housing Adaptation teams deliver a single co-located service and this has supported the introduction of an effective single access point to DFG services, with a single application for assessment, grant and service delivery. At the initial enquiry stage, telephone triage is used if at all possible to collect information needed by all staff. Triage information helps decide who should visit (if a home visit is needed). Councils are now trying to bring in housing advice at the triage stage – so people can be recommended for a move without even looking at adapting current property in some cases.

Where waiting lists are long it not only delays individuals and potentially adds to their care costs but, also introduces more inefficiencies. Pendle Council reported OTs having to re-assess a number of applicants because they have spent so long waiting that their needs have changed significantly.

6.6.2 Improving Services – more efficient processes

In some districts it was evident that over bureaucratic processes were being used to deliver simple low level adaptations, disproportionate to the risks involved. This includes the lack of development of alternative solutions using the RRO for low cost adaptations, cutting out complex paperwork and extensive means testing, albeit some services that had been subject to lean systems reviews had streamlined the statutory process.

Many districts were also using DFG to deliver non-structural minor adaptations costing between £500 and £1000, which is a clear responsibility of the County Council under the Community Care Discharges Act 2000. This not only results in delays for the customer, but is an added financial burden for the district council.

6.6.3 Making use of the Regulatory Reform Order

Development of appropriate products and services using the Regulatory Reform Order can avoid over complicated processes and procedures for delivery of simple adaptations or

support a housing options approach when the costs of adapting a property becomes prohibitive. This has been taken a step further in Cherwell were the District Council has adopted a fully publically consulted upon DFG Policy, setting out what is available and clarifies what individual customers can expect from the Service. Options include fast-track solutions, emergency grant, and special services to end-of-life cases.

In Broadland and South Norfolk, fast-track grants are offered under RRO powers for people with identified needs for straightforward works.

Some Council have decided not to use RRO, even though doing so could make services more effective and efficient – and the main reason given is that it is discretionary, and with resources cant, members have decided not to fund discretionary services. This is the case in east Northants. More work to explain to elected members the relationship between services, and the potential for a quick and inexpensive discretionary service to reduce demand for slow, expensive statutory service, would be of value.

6.6.4 Savings through more effective procurement

Savings through procurement were raised in the survey. One case study authority provides a good example. In Basingstoke and Deane, work was undertaken to reduce the price of level access showers – one of the most frequently requested adaptations.

They sought preferred suppliers for equipment and contractors who would operate within a framework agreement. Contractors are now required to source all 'package kit' items from the preferred supplier. Each contractor is expected to carry out a target number of level access shower installations each year, although the council does not guarantee the number or frequency of referrals.

Tenderers were required to supply a lump sum installation price (to include for variations up to a fixed amount) for the term of a three year framework, which includes all necessary labour required to provide a fully functional level access shower. Work is now being delivered by two contractors, delivering substantial savings of around £200,000 per annum.

6.6.5 Improving services by Using Home Improvement Agencies

Many districts reported placing great store by the service delivered by the Home Improvement Agency, including

- Ability of the HIA to identify demand for adaptations, repairs and other needs, due to a positive local reputation;
- Preventative services include handyperson, home safety, fire safety and home from hospital services;
- Access to charitable funds and other local resources to help disadvantaged applicants including those who need works which are outside of the specification for DFG.

West Somerset share an HIA across the three districts who also share a private sector housing team. They manage the flow of work to the HIA and by maintaining a focus on preventative services, have seen some reduced pressure on DFG services.

In South Staffordshire, DFG is fully outsourced to Metropolitan HIA, including the statutory function. The local Authority has access to relevant systems owned by Metropolitan, who are audited on the terms and conditions of the agreement (SLA) including budget responsibilities and performance management. There is an agreed priority to commission a County wide HIA.

6.6.5 Integrated Delivery

Integrated delivery approaches ranges from the secondment of an OT into a housing team, to a full-integrated solution across a county.

West Somerset have a housing OT to help customers move to more suitable accommodation, and are working with re-ablement team to develop more low level preventative measures.

In Warwickshire, councils are working together to develop new integrated services across the county, overseen by a shared county/ district board. Services have been re-engineered to make job roles overlap the traditional housing/social care boundaries, with the aim of producing a service focussed one:

- A collaborative co-ordinated system which focusses on early intervention and prevention;
- A comprehensive assessment of needs within a set criteria;
- Signposting to other appropriate sources.

In Norfolk, a project officer has been in place for 12 months, co-ordinating the introduction of Integrated Housing Adaptations Teams, bringing OTs and housing staff together in the HIA overseen by a joint county-district board. Local authorities considered a range of options before selecting this model and rejected a fully-integrated county approach in order to retain local powers to deliver different solutions, and ensure local resources are spent within the district. There is early evidence that services are more effective as a result of the change, and staff who were resistant have come to appreciate the benefits, but there are still challenges ahead concerning shared procurement, and the ability of the partnership to maintain momentum and prevent divergence once the dedicate project resource is removed.

6.6.6 Housing Options

Teignbridge employ a specialist housing options officer to work through all options with applicants, including move to another property, accessing finance from other sources etc. They also have in place a housing advice service for older people, which was tendered and the contract awarded to CAB.

In developing this model careful consideration was given to good practice led by Melton and the County Council involving the district councils within Leicestershire. This involved several senior officers of 3 councils championing the cause for service development and improvement. To make sure that all districts participate, the Chief Executive of one of the districts took the lead to get buy in from other Chief Executives within the participating districts.

All districts are initially required to set common service standards across the County and benchmark activity against the standards set. Reporting and service development initially is fed back to a best practice group. Through this, a framework is established to help to identify blockages and problems at their earliest stage.

Overall performance data is captured from all districts measuring performance against the standards and priorities set. An annual review is undertaken together with the County Adults Service lead and an annual report is provided to the districts Chief Executives and the County Director for Social Services. It is felt that this could be enhanced further by containing this approach within a common adaptations policy as demonstrated and used by Cherwell District Council, clearly setting out what customers can expect from the service, with the range tools available to them.

The Chief Executive has also taken the lead at a County level to ensure engagement with the PCT and Health and Wellbeing Board and CCGs in order to secure appropriate buy in and address resource opportunities for DFG and associated support services.

SECTION TWO – Supporting evidence

7. Desktop Review of published material relating to Disabled Facilities Grants, adaptations and savings to other services

This review includes:

- Brief overview of disabled facilities grants (DFGs) and adaptations
- Legislation relating to Disabled Facilities Grants and adaptations, including Case law and Local Government Ombudsman cases
- Financial Spend and projected levels of demand
- Positive Outcomes and Cost/benefit analysis
- Role of social landlords

This review draws on material published in the following:

"Lifetime homes, lifetime neighbourhoods – a national strategy for an ageing society" published by DCLG 2008

"Building a business case for investing in adaptive technologies in England" – Tom Snell, Jose Lois Fernandez and Julien Forder, PSSRU at London School of Economics, July 2012

"Better outcomes, lower costs -Implications for health and social care budgets of investment in housing adaptations, improvements and equipment: a review of the evidence"(2007) - Frances Heywood and Lynn Turner

House of Commons Standard Note SN/SP/3011 February 2013 Disabled Facilities Grants England

"Disabled Facilities grant allocation methodology and means test – final report" BRE, February 2011

"Lean and Systems thinking in the public sector in Wales", Lean Enterprise Research Centre at Cardiff University for the Welsh Audit Office, January 2010

"Review of progress in implementing recommendations on the provision of adaptations services in Wales" - Astral PS report for Welsh Assembly Government December 2010

Delivering Housing Adaptations for Disabled People – DOH Good Practice Guide 2006

"Breaking The Mould – revisioning older peoples housing" and "On the pulse", National Housing Federation, 2011 and 2012

"Providing an alternative pathway – the value of integrating housing, care and support" National Housing Federation, 2013

"Helping to build better health" National Housing Federation 2013

"Minor Adaptations Without Delay – a practical guide and technical specifications for housing associations" published jointly by College of Occupational Therapists and the Housing Corporation January 2006

British Association of Occupational Therapists and College of Occupational Therapists – Various Fact Sheets including Falls Prevention, Older People etc

7.1 Overview

Local authority work on adaptations has changed significantly over the past fifteen years. The mandatory DFG grant legislation came into force in 1996. In many areas, delivery arrangements changed following the introduction of Supporting People in 2003 which led to an expansion in the prevalence of Home Improvement Agencies (HIAs), as at that time government were keen to see a HIA in every district, offering a wider range of services than the local authority, and working closely in partnership, and many SP Commissioning Authorities invested in these services.

In 2004, the Office of the Deputy Prime Minister (at that time responsible for housing policy) commissioned a wide-ranging review of DFGs. A report from the review was published in October 2005. Following this review the means test was abolished for families with a child with a disability. In 2007, the Labour government published its response to the review. It recognised some problems and challenges in relation to DFGs:

- A high and increasing demand, driven partly by the demographic of an increasing ageing population and partly by the number of children with a severe disability;
- Pressure on resources for DFGs leading to long waiting lists of grant applications in some areas;
- The means test is poorly targeted and could be seen to treat some groups harshly;
- Limitations to grant entitlement because of its restricted purpose and maximum limit;
- Complexity compounded because DFG is often operated independently of other social care and community equipment programmes;
- Entitlement across all tenures but the complexities of the various funding streams means that in practice inequities can occur; and
- The service is not always widely publicised and support through the process is not always available.
    - (Reviewing the disabled facilities grant programme, published ODPM 2005)

The government published proposals to improve the delivery of DFGs in February 2008. (Disabled Facilities Grant: the package of changes to modernise the programme, February 2008). Many of these improvements have been implemented, including removal of the ring-fence for DFG funding, and a general consent to allow local authorities to reclaim grant funding from owner occupiers upon sale of the property, where the grant is more than £5,000.

Proposals which have not been implemented include:

- Giving further consideration to the redesignation of stairlifts as items of community equipment rather than funding them through DFGs;
- Considering the scope for improving targeting of the means test;
- DFG to be an important part of the Individual Budgets pilot;
- Review of the legislation and organisational delivery structures for adaptations, to be carried out following the evaluation of the Individual Budget pilots;
- Consolidation of the care services and DFG means test.

Funding specific to handyperson services was made available in 2012 which, although not directly delivering DFG works, increased the range of help available to elderly and disabled persons, including preventative interventions.

The Commission on the Funding of Care and Support, which reported in July 2011, recommended a review of the operation and administration of DFGs. The government White Paper published in response to the commission, "Caring for our Future, reforming care and support", in July 2012, contains no proposals to review DFGs.

7.1.1 Current situation In order to pay a DFG, the district council requires a statement of need prepared by an OT, employed by the County council. Since the removal of the ring-fence (2008, see above), district councils can pay a grant outside the DFG process for lower cost straightforward adaptations. Sometimes this is done without the involvement of an OT, although in other cases an OT, OT assistant or "trusted assessor" (not a qualified OT but with appropriate training) will be involved.

The right to a DFG applies to home owners, private sector and social housing tenants. Many social housing landlords will fund adaptations work on their own stock. Sometimes this is part of a formal agreement (part of the transfer agreement for LSVTs, or as a formal compact adopted between the local authority and social housing landlords in the area). Most agreements cap the landlord spend at a certain amount, above which the local authority will pick up the tab, or set out cost-sharing arrangements. These agreements are not universal, and some RPs rely on the local authority providing DFGs to fund all adaptations work.

7.1.2 Legislative context The main legislation governing DFGs and housing adaptations is set out below.

(i) The Housing Grants, Construction and Regeneration Act 1996 (the 1996 Act)

- The Housing Grants, Construction and Regeneration Act 1996 (the 1996 Act) as amended by the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002("the RRO") and subsequent related legislation and general consents provide the main legislative context for DFGs.

- DFGs are a mandatory entitlement, assessed by need, subject to a means test. The 1996 Act imposes a statutory duty on local authorities to pay DFGs to a disabled person for certain purposes provided it is satisfied that an application is in respect of works that are:

  a) necessary and appropriate; and

  b) it is reasonable and practicable to carry the works out having regard to the age and condition of the building.

(ii) The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002 (the RRO 2002 Order)

- Local authorities were given extended powers to issue loans and more flexible forms of assistance to DFG applicants under the RRO 2002 Order which came into force on 18 July 2002.

(iii) The Chronically Sick and Disabled Persons Act 1970 (CSDP)

- Section 2 of the CSDP places a clear duty on local authorities to "make arrangements" for all or any of the matters specified in paragraphs (a) to (h) in the case of any disabled person who is ordinarily resident in their area where they are satisfied that this is necessary to meet the needs of that person.

- Paragraph (e) covers "the provision of assistance for that person in arranging for the carrying out of any works of adaptation in his home or the provision of any additional facilities designed to secure his greater safety, comfort or convenience".

(iv) The Fair Access to Care Guidance (FACS)

- FACS was reissued by the Department of Health in February 2010. It applies to adult social care (not children's social care) and it is statutory guidance made under s.7 of the Local Authority Social Services Act 1970. That is, it covers the community care legislation, the NHS and Community Care Act 1990, National Assistance Act 1948, Chronically Sick and Disabled Persons Act 1970 etc. It does not apply to housing legislation, such as the Housing Grants, Construction and Regeneration Act 1996.

- FACS provides Councils with a means for determining eligibility for adult social care. Guidance and case law make it clear that eligibility for housing adaptations should be considered separately to FACS, it should not be assumed that because someone fails to qualify for assistance through FACS that they would not qualify under the DFG test of resources for housing adaptations.

(v) Other legislation, including the **Children Act 1989**, also include provisions dealing with housing adaptations**.**

7.1.3 Case Law Possibly the most significant example of case law affecting the DFG process is that of ***R v Birmingham City Council, ex parte Taj Mohammed (High Court, Administrative Division, 12th June 1998)***. This clarifies that:

- Local Authorities must resource the mandatory aspects of DFG entitlement ahead of any discretionary services they may deliver.
- Decisions made in respect of the requirements of the Chronically Sick and Disabled Persons Act (1970) should not have any bearing on the duty to deliver DFG.
- In deciding whether a DFG was needed, including whether it was *"necessary and appropriate",* was a *"technical question*" to be determined *"objectively*".
- Eligibility thresholds under FACS, taken by local authorities, is not applicable to DFG decisions

7.2 Financial spend and projected levels of demand

7.2.1 Disabled Facilities Grant Allocations Up to 2008/09 CLG met 60 per cent of local authority spend on DFGs (up to a maximum agreed allocation known as the Specified Capital Grant); any expenditure above these allocations had to be met from other local authority resources. The 60:40 DFG funding split ended in April 2008, when the grant ring-fence was removed, such that local housing authorities now receive a non-ringfenced DFG allocation without a specified requirement to match this funding.

CLG has announced the local authority allocations for the Disabled Facilities Grant programme in England for 2013-14, making available £180 million, the same amount as the previous year.

The Disabled Facilities Grant programme has been protected. By the end of the spending review period the national Disabled Facilities Grant budget will increase from £169 million in 2010-11 to £185 million in 2014-15. In January 2012 DCLG announced an additional £20 million Disabled Facilities Grant funding, bringing the total in 2011-12 up to £200 million,

delivering a total investment of £745 million over the spending review period. However, there is no certainty about funding in the longer term, in a context in which both housing and welfare spending have been under significant pressures.

The national budget for Private Sector Renewal Grant, used by many local authorities to resource their DFG programme was deleted by Government in 2011.

7.2.2 Projected levels of demand "By 2026 older people will account for more than half of the increase in the total number of households, resulting in 2.4 million more older households than there are today. By 2041 the composition of the older age group will have changed dramatically. There will be a higher proportion of the older age groups including the over 85's… and double the number of older disabled people." (Lifetime Homes, Lifetime Neighbourhoods, ibid) Social and cultural trends, reflected in changes in attitudes and preferences amongst older people, may be of even greater significance than the demographic trends. The "Breaking the Mould" report from the NHF (ibid) describes a "generation of asset-rich, high expectation baby-boomers" who will have higher expectations in terms of standards of living.

There has been a dramatic increase in home ownership amongst older people. In 2004 60% of older people owned their own home without a mortgage (ONS figures 2004, census 2011 figures not yet available).

A host of government reports, initiatives and directives over the past few years have highlighted the need for services that promote independence and choice and enable older people to remain in their own homes. In 2008, the previous government published "Lifetime Homes, Lifetime neighbourhoods – A national strategy for an ageing society" which identified that the majority of people not only *want* to stay in their existing home as they grow older, but actually do so. It therefore placed emphasis on the Lifetime Homes concept of accessible design of *all* housing and on adaptation of existing accommodation through disabled facilities grants and home improvement agencies.

Social care services are being transformed through the introduction of 'Personalisation', whereby those eligible for care have a right to a personal budget to spend as they choose. The rate of introduction of 'Personal Budgets' has been slower than originally planned. However, it is that individual budgets will lead to an increasing proportion of older people choosing to build a care package which enables them to remain in their current home, thus increasing demand for adaptations.

More recent publications have focused on the relationships between health, care and housing. A recent health select committee report highlights this:

> "A well-rounded fully integrated system of care, support, health and housing is essential not just to provide high quality support for individuals, carers and families, but also to provide good value to the exchequer and the tax payer" (Health Select Committee report on social care, 2012).

A key concern for many older people is paying for the care they need. The Dilnot report (report of the independent commission on funding care and support, chaired by David Dilnot, report published July 2010) suggested capping individual contributions at £35,000, whilst

current government proposals would require people to contribute up to £75,000 of their own resources towards their social care. Many older owner occupiers are afraid they will have to sell their house to pay care costs, and this can be a barrier in terms of planning for housing in older age. The government has committed to setting a cap on care costs but it is likely to be at a much higher level. This could lead to increased demand for adaptations as older people seek to reduce the costs of on-going care.

Another recommendation in the Dilnot report is that there should be national eligibility criteria for care. At the moment each local authority can decide whether it will fund services for those who are assessed as having low, moderate, substantial and critical needs. Most local authorities will only fund services for people with substantial or critical needs. Age UK is campaigning to have the national eligibility criteria set at moderate needs. Access to DFGs should not be influenced by FACs criteria but the reality is that if national eligibility criteria are set, and set at moderate needs, this is likely to result in increased demand for adaptations. Current indications are that national eligibility criteria will be introduced from April 2015.

Analysis of English house condition survey data indicates that the total amount required to cover grants for all of those who are theoretically eligible under the current rules is £1.9bn at 2005 prices. This is more than ten times higher than the total amount of disabled facilities grant allocated in England in 2009-10 (£157m). ("Disabled Facilities grant allocation methodology and means test – final report" BRE, February 2011)

7.3 Cost-benefit analysis

There have been a number of previous studies which sought to quantify the savings which spend on DFG work delivers for other services. The most recent relevant report is "Building a business case for investing in adaptive technologies in England" – Tom Snell, Jose Lois Fernandez and Julien Forder, PSSRU at London School of Economics, July 2012. This report itself draws heavily on the Heywood and Turner 2007 report (see below).

"Building a business case….." seeks to model the impact of equipment and adaptations on other services. Under the "core" (most likely) scenario, equipment and adaptations lead to a reduction in care and health costs worth an average of £579 per recipient per annum (including both state and private costs). In addition, the services lead to an improvement in the quality of life for the recipient valued at £1,522 per annum. The average cost of equipment and adaptations is £1,000 per recipient per annum. The researchers also modelled a more conservative and a more optimistic scenario, leading to reductions in care and health costs of £261 and £1,079 respectively.

The researchers note that in times of fiscal austerity low level and preventative services may be seen as easy cuts, reducing spend on these services can lead to increased demand for care and health services.

7.3.1 Heywood and Turner The main body of evidence relating to the positive outcomes and cost benefits of adaptations work is contained in, "Better outcomes, lower costs - Implications for health and social care budgets of investment in housing adaptations, improvements and equipment: a review of the evidence"(2007) - Frances Heywood and Lynn Turner.

Heywood and Turner identify that the most significant savings to health and social care budgets arising from the provision of housing adaptations and equipment for disabled people are:

- Saving by reducing or removing completely an existing outlay
- Saving through prevention of an outlay that would otherwise have been incurred.

(i) Saving by removing an existing outlay is primarily about avoiding the cost of residential care or reducing home care

For a seriously disabled wheelchair user, the cost of residential care is £700-£800 a week - £400,000 in 10 years. The provision of adaptation and equipment that enables someone to move out of a residential placement produces direct savings, normally within the first year. Home modifications can prevent or defer entry into residential care: one year's delay will save £26,000 per person, less the cost of the adaptation (average £6,000).

- Adaptations that remove or reduce the need for daily visits pay for themselves in a time-span ranging from a few months to three years and then produce annual savings. In the cases reviewed, annual savings varied from £1,200 to £29,000 a year.

- Significant savings in home care cost are mainly found in relation to younger (including younger old) disabled people. Adaptations for older people will not routinely produce savings in home-care costs, because 83 per cent of those waiting for adaptations receive no homecare, whilst others are so frail that adaptations will not remove the need for care. In these cases, savings are still to be found but through the prevention of accidents or deferring admission to residential care, and in improved quality of life.

(ii) Saving through prevention of an outlay that would otherwise have been incurred.

Significant savings to healthcare budgets can be demonstrated where accident are prevented, especially hip fractures, as well as prevention of other medical complaints such as pressure sores, which may require hospitalisation.

Heywood and Turner identified in 2007 that costs of hip fractrures in the UK came to £726 million. An article for the BBC Health site by Dr Patricia McNair estimates suggest that a hip operation costs the national health service between £4,000 and £7,000. This is more than the average cost of a stairlift or fitting grab rails (estimated costs by Snell et al, ibid).

- There is a 30% increased risk of fracture of the hip for older women if they are suffering from depression. There is evidence that the most consistent health outcome of housing interventions is improved mental health. Findings on the impact of adaptations include 70% increased feelings of safety (all from Heywood and Turner, ibid).

7.3.2 Other evidence of savings to care and health services of DFG expenditure

Neath Port Talbot/Lean Enterprise Research Centre, Cardiff University

"Lean and Systems thinking in the public sector in Wales", Lean Enterprise Research Centre at Cardiff University for the Welsh Audit Office, January 2010. This report showed a strong correlation between the average age of admittance into residential care and the

provision of a DFG. Those who received a DFG on average went into residential care 4 years later than those who did not receive a DFG. The Council identified 189 people who went into residential care where there had been a request for a DFG but the work had not been completed sufficiently quickly. At an average cost of £380 per week in residential care, the potential saving which would have arisen from timely provision of the DFG was £12.7m (ie 189 x £380 x 52 x 4), less the £1.2m cost of the DFG (at an average of £7,000).

On a similar basis, NPT calculated potential savings from DFG spend as follows:

	Cost of DFG	Cost of equivalent Service	Basis of calculation
Home care	1,500	12,500	Withdrawn commode cleaning visits after accessible bathroom installed, saving calculated over 10 years
Residential or nursing care	18,000	80,000	Delayed admission by 4 years
Residential or nursing care	6,500	280,000	Enabled discharge from residential care, saving based on 14 years further time in residential care
Discharge from hospital care to home	8,000	60,500	Saving based on 3 years in nursing care, saving would be higher if needed longer time in hospital

Astral PS report for Welsh Assembly Government 2010/ODPM

This report identified that residential care costs between £17,304 and £36,280 each year, rising to up to £68,968 for a seriously disabled adult (costs based on ODPM 2005 figures adjusted to 2009 costs). For the purposes of the figures below we have used a cost of £27,000 per year.

	Cost of DFG £	Cost/saving to other services £	Comment
Hip fracture	300 - 1,000	30,000	DFG cost from basic stairlift to grab rails etc. Estimated cost to NHS (Parrott, 2000, cited by Heywood and Turner, adjusted to 2009 costs)
Discharge seriously disabled child from hospital to home care	36,000	251,850	Maximum DFG. Saving based on cost of hospital care for a seriously disabled child, ODPM figures 2005 adjusted to 2009 costs.

7.4 Role of social landlords

"Minor Adaptations Without Delay – a practical guide and technical specifications for housing associations" (published jointly by College of Occupational Therapists and the Housing Corporation January 2006) encouraged housing associations to deal with minor adaptations (eg grab rails, improving access to properties, visual and sensory impairment aids) directly and quickly, without the involvement of an OT. The guide sets out a number of different service delivery models, including housing associations providing minor adaptations work themselves as part of their normal day to day service, housing associations working in partnership with Home Improvement Agencies to carry out minor adaptations, housing associations working with integrated community equipment services, and housing associations employing their own OTs. It is recognised that the housing association movement is now so diverse that it is unlikely that one service delivery model would fit all circumstances.

The National Housing Federation produced the report "Breaking The Mould" in 2011 which looks at the housing needs of older people. Key findings from the report include:

Only 5% of all older people live in specialist housing, a lot of which is not fit for purpose or future-proofed,

- 1 in 3 RP tenants are now over 65; half of these live in general needs housing;
- Older people in the wider community, many homeowners, still have a need for services;
- Many older people in the future will be asset rich with high expectations of what housing can deliver;
- 85% of older people do not use care services provided by the local authority. It is not clear if these people are not receiving care, or if they receiving unpaid care from family/neighbours/friends or are funding care services privately. Some people may have been put off by increasingly stringent criteria from social services in the care assessment.

The National Housing Federation followed the "Breaking the Mould" report with "On the pulse" (2012) which includes case studies of new business models which housing associations are developing. "On the pulse" looks at services which,

- Help older people to recover independence after illness, stroke, injury or trauma;
- Get people home from hospital quickly and prevent readmission;
- Delay need for more intensive care and support;
- Reduce the likelihood of emergency admissions;
- Help to stabilise and manage chronic conditions such as dementia;
- Enable people to remain in their homes till the end of their lives;
- Maximise the benefits of technology, such as telecare.

A summary of the six case studies is included below

Case study 1 – Housing 21 Portable Care goes with person into hospital. Improved quality of care during stay, enabled earlier discharge and prevented readmissions (still being evaluated). Better communication between the hospital team, may have prevented discharge into residential care. Appreciated by OP and their families and some have said they would pay for it as self-funders, others feel NHS should be providing this quality of care anyway. Funded from NHS Innovation and Excellence Fund.

Case study 2 – Home from hospital – Alliance Homes and other partners. Number of HFH schemes in place but not co-ordinated and different access criteria. Now one referral and assessment process, working in hospital every day. Funded by the council.

Case study 3 – Home from Hospital Bournemouth Churches aimed at self-funders who have had strokes. Guidance and practical help in the home.

Case study 4 – Home Group end of life care helps people to plan and prepare for death, increasing opportunities to die at home. Combination of practical and emotional support, enabling people to sort out their affairs and talk about dying. Incorporates use of digital technology and befriending service

Case study 5 – re-ablement through telecare – Coast and Country Housing aims to reduce home care calls and hospital readmission through use of telecare, eg alarm system. Installed within 48 hours of referral. Dementia support, falls prevention, and safety and security.

Case study 6 – Breathing Space – Bedford Citizens HA provides en-suite accommodation, care and support for up to 5 people, alongside an existing care home. Can be used as step down from hospital or for respite.

8. Survey Findings – Finance

As set out in the section on methodology, we carried out a survey of all district councils. One element of the survey was to gather information about DFG spend, and what district councils thought might happen to DFG spend in the future.

8.1 Overall DFG spend

As can be seen from Fig (i) the average amount being spent by district councils on DFGs has reduced since 2010/11. Spend for 2012-13 is lower than in previous years, despite the fact that the level of capital allocation from government has been increasing: many district councils are under extreme financial pressure and have reluctantly taken the decision to reduce the amount they contribute towards DFGs from their own capital budgets. Furthermore, many councils are seeing a reduction in grant for 2013/14: only 7 districts expect an increase between this year and next year; a further 21 believe the level of grant will remain the same. And all the others are predicting a reduction in their grant.

Fig (i) – Average DFG spend by district councils

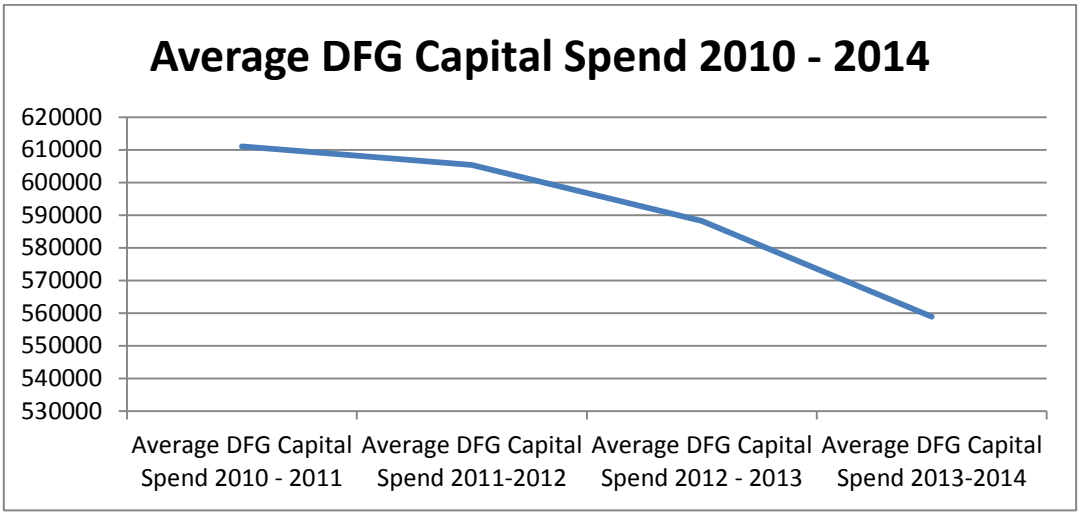


Fig (ii) Average government grant to district councils

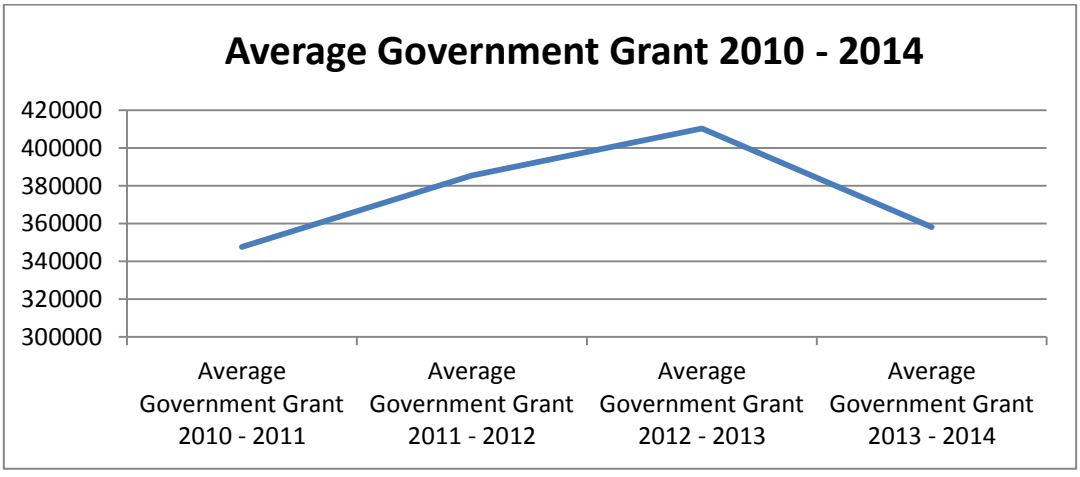


Fig (iii) Average local authority capital contributions

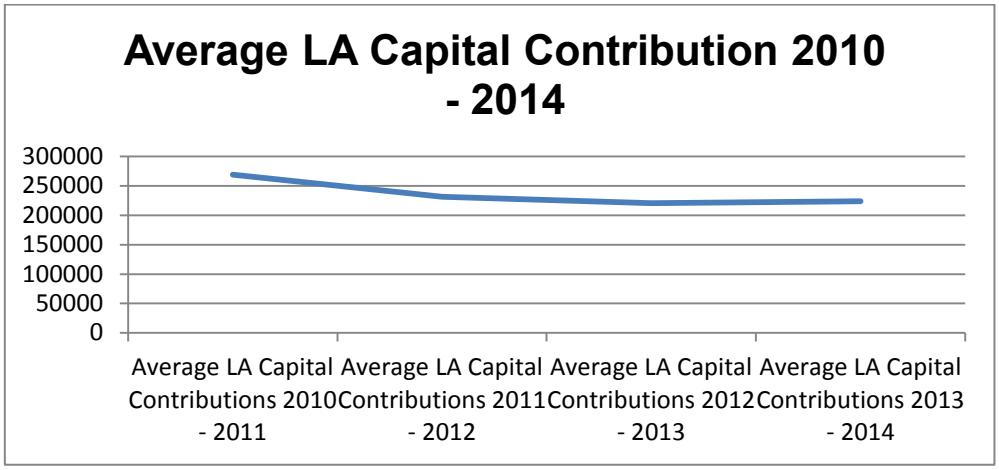
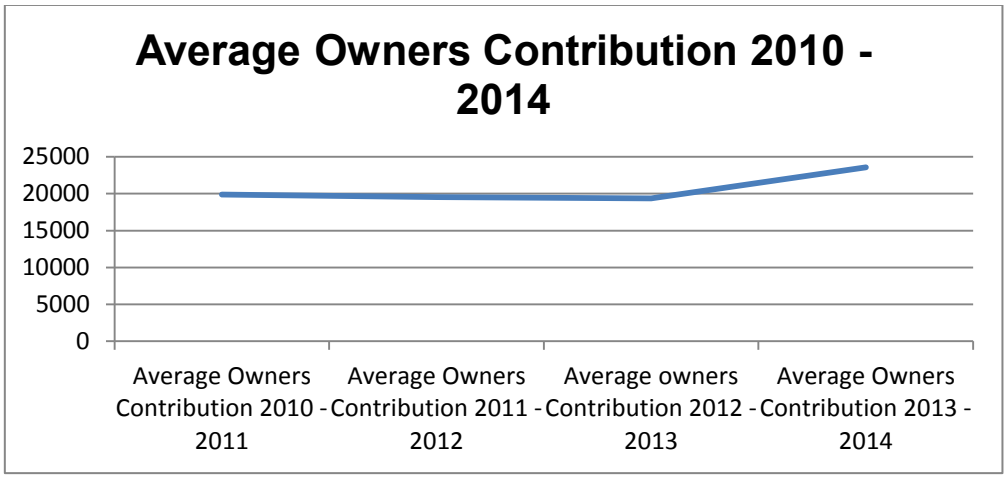
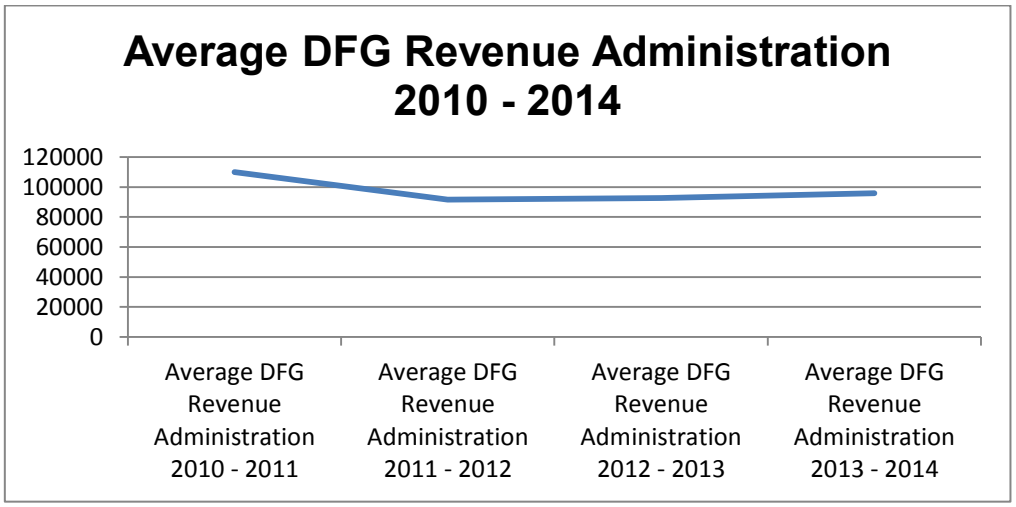


Fig (iv) Average owner's contribution



As can be seen from Fig (iv) above, the average owner's contribution has been fairly static over the past three financial years. However, many districts are predicting an increase in owner's contributions for 2013/14.

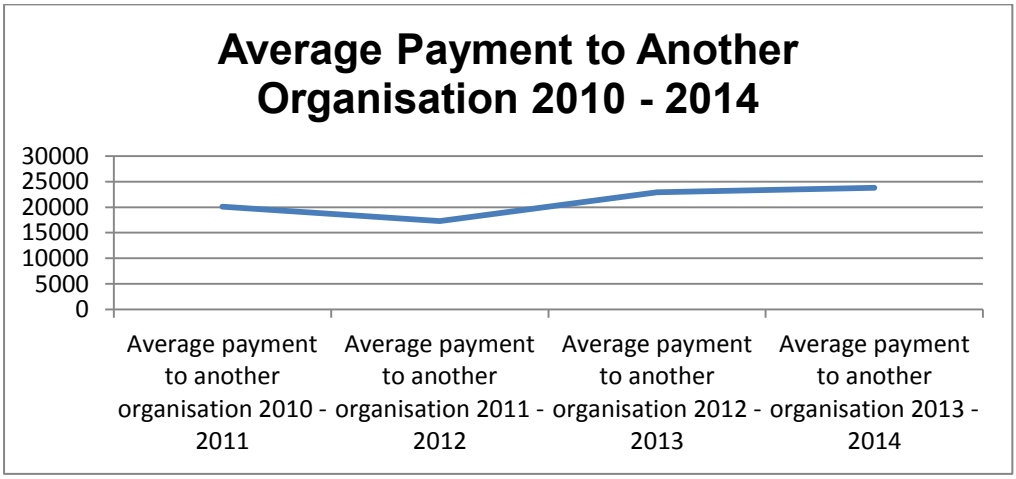
Fig (v)Average DFG Revenue Administration Cost



The revenue cost of administering DFGs has fallen. This reflects the pressure on budgets in district councils, and is generally delivered through reductions in staffing.

Revenue costs are only part of the cost of administering DFGs. In our survey, we found 23 district councils who funded at least part of their administration costs from capital (ie approx. 30%). Of this 30%, 7 districts split the cost between revenue and capital, some on a percentage basis and some allocating specific posts to capital. A number fund their own internal costs from revenue but use capital funding for any external administration costs. A number of districts fund in-house HIAs at least partly from capital.

Fig (vi) Average Payment to other organisations



Many district councils make financial contributions to the local Home Improvement Agency. As can be seen from Fig (vi) above, the average amount of these payment has increased over the past two years, often in response to reductions in funding for other sources, especially from Supporting People/ Adult Social Care.

8.2 Dealing with pressures on the budget

We asked district councils how they coped when demand outstripped the budget. There were a range of responses:

- 31 would seek additional funding internally (and many gave examples where this funding has been provided in the past);
- 23 would introduce a waiting list, mostly based on prioritisation of cases. All respondents stressed that they would still complete the work within the six-month target timescale;
- 13 would commit work which could be paid for in the following year, or would seek approval to spend money from next year's budget (or anticipated grant);
- 3 would seek additional funding from external sources – either the County Council or the government.

8.3 Impact of the removal of the ring-fence

The vast majority of respondents said it had made no difference to the way they operate. 13 districts had reduced their contribution to DFGs as a result of removal of the ring-fence, 5 said they had increased their contribution. Some districts said that although it had made no difference, they had internal agreement to maintain their contributions at a similar percentage.

8.4 Links to other budgets

We wanted to explore whether districts were linking their DFG budgets to other relevant budgets, such as their own private sector housing budgets, or the Equipment budgets held by the Counties.

Only a small number of authorities responded that they did link DFG budgets to their other private sector housing budgets. This may reflect the significant reductions we have seen in funding for private sector housing work since the government capital contribution was abolished. However, those that did link DFG budgets to private sector housing budgets were able to point to added value, such as installing heating measures alongside adaptations, to remove a category one excess cold hazard. A small number of districts were linking loans schemes to DFGs, enabling clients to have a wider range of essential work carried out.

These links are critical to the long-term impact of a DFG. There is little point in putting expensive adaptations into a property which needs essential repairs or lacks heat. Looking to the future, district councils are unlikely to be putting large amounts of capital into private sector housing work, so any additional work which is required will need to be funded by loans. It would make sense for any equity loan to pay for DFG work to also cover the cost of other essential works to maintain the fabric of the building and ensure affordable warmth.

Only a few districts mentioned using DFG funding for a housing options approach, including paying for a move where an existing property was not appropriate for adaptation. This issue is picked up elsewhere.

A small number of districts talked about increased contributions from HRA or from RPs to fund adaptations in social housing. This issue is also picked up elsewhere.

The key driver for this question was whether districts were exploring the potential for savings with colleagues from the County and from health. Only 4 districts talked about linking their budget with that of the County Council; of these 2 gave interesting examples of developing reablement services in conjunction with adaptations.

Only 8 of the districts responding knew what the County Council's budget was for equipment and minor adaptations. In the majority of these cases, the County Council had increased its budget for this year.

8.4.1 Joint commissioning with County or with other districts Over half of the responding districts had some joint commissioning arrangements in place.

The most commonly procured joint service, not surprisingly, is an HIA. 32 of the districts had joint procurement arrangements in place for the HIA. 16 had joint commissioning arrangements in place for a handypersons service (mostly delivered through the HIA).

4 districts which did not have joint procurement in place at the moment were engaged in discussions to take arrangements forward.

Other services which were jointly procured include:

- Housing solutions service;
- Specific types of adaptations eg level access showers;
- OTs;
- Equipment;
- Reablement;
- Hospital discharge.

4 district councils either employ their own OTs or contribute towards the cost of OT assessments. 1 district is considering employing their own OT in future, and 1 will do this where the client is willing to pay to expedite the service.

8.4.2 Linking budgets to an estimate of need The vast majority of respondents use past years demand as the main factor in determining the next years budget. Only 7 districts use population estimates as part of setting their budgets. Other information used by LAs as part of setting their budgets includes:

- House condition survey;
- Census;
- Health Service information.

8.4.3 Owners' contributions Only 8 of the responding districts take any account of owners contributions when setting budgets at the beginning of the year.

A very mixed picture has emerged on the level of owners' contributions. The majority of those responding (37) said that they had remained static in recent years. 12 felt they had decreased whilst 9 felt they had increased. Our figures show a slight increase in estimated contributions for next year.

8.5 Savings to other services

Many of the responses referred to discussions and awareness, but little specific work has been done to identify the savings that DFGs can deliver for other services. Many respondents referred to the difficulties in engaging the NHS in discussions during this period of change, and their work to engage with the Health and Well Being boards to get adaptations onto their agendas.

8.6 Future funding

We asked about any factors other than demographics which might increase pressure on DFGs in future.

Some districts felt that demand for adaptations could reduce particularly in light of the greater supply of specialist accommodation for older people. Others were seeing a reduction in referrals because of increased FACs thresholds for adult care (although FACs criteria do not apply to DFGs there is often confusion over this).

However, most districts felt that demand was likely to increase. Factors which were raised by district councils include:

- Older people moving to particular geographic areas on retirement;
- Stock condition;
- Levels of deprivation;
- Higher poverty levels increasing numbers who qualify for DFGs;
- Extended families living in same property;
- Increasing obesity levels;
- Typography and property types affect costs and feasibility;
- Reduced level of wheelchair accessible housing/housing built to lifetime homes standard as a result of squeeze on S106 requirements and looser building requirements generally;
- Employment base in the area – some occupations have higher level of occupation-related illnesses eg respiratory problems; accident levels associated with some industries; number of ex-service personnel with injuries;
- Funding from RPs decreasing so responsibility falls to LA (either unilaterally or as a result of formal cost-sharing protocols);
- Disabled tenants affected by bedroom tax needing to downsize and requiring another property to be adapted (though does leave an adapted property for someone else who requires that size);
- Lack of supply of adapted properties in rural areas makes it harder to encourage people to move if rely on family for support.

8.6.1 Dependence on central government funding With little work being done to predict total future demand for DFGs and budgets set mainly historically, it is hard to avoid the conclusion that the level of spend on DFGs is very dependent on central government grant. This is important to note: when government grant for private sector housing was abolished, most districts were unable to maintain their level of investment in this work. With increased financial pressure on districts, it is likely that if government grant were abolished very few adaptations would be carried out.

The vast majority of districts are intending to maintain their level of capital contribution to DFGs at the current level, although many commented on the difficulty of doing this long-term. If government grant for DFGs were to increase, the majority of districts would not reduce their contribution. In other words, if government were to increase funding for DFGs this money would be used to increase the number of adaptations being carried out. If, however, government were to reduce the overall grant for DFGs, very few districts would be in a position to increase their contributions. The number of adaptations being carried out would fall.

8.6.2 Recouping the costs through a charge on the property Local authorities are able to recoup the costs DFGs in some circumstances, by placing a charge on the property. Surprisingly, only a minority of those responding to our survey had arrangements in place to

do this. Many districts commented that they had explored the option to do this but felt that the costs would outweigh what is recouped. Those districts reporting repayment of costs had relatively low figures – generally under £10,000. However, some districts who have pursued this route more proactively are estimating quite large repayments in future: up to £50,000 over the next 10 years.

8.6.3 Encouraging those who can to meet their own need It would appear that the majority of districts do not take the approach of encouraging those who can do so to meet their own needs. Some larger authorities have had a lot of success in doing this, thus reducing the pressure on the DFG budget. A small number of districts, working with partners in the County Council, are pursuing this route, including:

- OTs encouraging people to consider all options and try to intervene early to provide simple equipment which can reduce need for DFG;
- Informally advising people they could get the work done themselves (some only do this if the person expresses concern about length of time they may have to wait);
- Sign-posting to appropriate specialist organisations for particular disabilities;
- Subsidised loans for self-funders;
- Sign-posting to equity release as alternative to loan scheme.

Some districts were quick to point out that DFG is a mandatory grant, and thus they felt that they should not be working with people to explore ways of them meeting their own needs.

8.7 Finance Case studies

Hastings is one of the districts that have a jointly procured housing solutions service, funded by three district councils and the County. Hastings estimate they have saved £160,000 on DFG in 16 months through the housing solutions service encouraging people to move to more appropriate accommodation. They have also saved money through joint procurement of works, which has brought down the average cost of a DFG.

Sedgemoor said that discussions had taken place through the Assistive Technology and Health Boards including a discussion paper on reablement and effects on DFG budgets in comparison with health spend and life expectancy. This paper is not yet in the public domain.

Great Yarmouth commissioned the BRE last year to carry out a health impact assessment, which is being used to develop a Homes for Health Strategy. This is a joint piece of work with Public Health and NHS and will focus on prevention work and support to clients with long-term health conditions.

East Northamptonshire is currently working with the County to identify potential savings.

Cumbria has a county-wide DFG manager who has led discussions resulting in funding from NHS of £500,000 for adaptations and related work for each of last 2 years. One of the districts in Cumbria also quoted LSE PRSSU Social Care Unit “Building a business case for investing in Adaptive technologies in England” which they believe is accepted by DOH, and was instrumental in persuading the NHS to invest in adaptive work.

9. Analysis of responses to the Private Sector Housing Questionnaire

95 Councils returned responses to our housing survey. In this survey, we were seeking to find out what constraints are affecting the delivery of the DFG service on the ground, and how Councils are responding to these.

9.1 Managing Demand

73% of Councils surveyed say that they can meet demand for DFGs at the present time. Of those meeting demand, some are only doing so but investing increasing amounts into the service, and recognise that there is a limit to how thing this can be sustained for.

For example, Waverely ran out of money 2 years ago and had to delay approvals for 6 months or approve, but members responded to this with a grant budget, meaning that they can again keep up with demand. In Stroud, the Council tops up the funding received from Central Government each year, but staff are concerned that the pressures on budgets mean that a waiting list could have to be introduced. Additional PCT funding in Leicestershire has helped Hinckley and Bosworth to keep up with demand.

In some areas, demand is kept artificially low by the practices of the county council. For example, Ipswich BC report that Suffolk County Council have a considerable waiting list and do not prioritise DFG referrals : they will only assess people for adaptations who they consider are substantial and critical (contrary to DFG regulations), but this means that needs are not identified or met.

In areas where the council cannot meet the demand for DFGs, some significant waiting lists are in place. North Devon DC report a queue of 125 cases, which represents 1 – 2 years in excess of resources, depending on the complexity of the cases queued. Swale BC also report a waiting list which is around a year. Both areas report that people who can find other solutions will do so rather than wait for a DFG.

Councils are trying to manage demand and have little or no knowledge of the real level of need. Most councils report setting budgets based on previous expenditure, or levels of applications per year over the past few years. Some Councils hold information on the need for adaptations in housing needs surveys, but most who referred to these also reported that they are five years or more out of date. Amber Valley report that there is a high latent demand, but the slowness of the process deters people from using it – a situation likely to apply to much of the country.

Allerdale report having a Private Sector Housing Stock Condition Survey June 2012 which showed the level of disability in the private sector housing (approximately 11.5% of occupied dwellings had at least one resident with a long term illness), but even this is of limited use in predicting future needs for services, as some of these people will already be in homes that meet their needs.

Purbeck report use of the Joint Strategic Needs Assessment, Housing Needs Assessment, Housing Stock Condition Survey, and Health needs Assessment – combining sources can help to give a more developed picture of needs than one survey alone, but will still not necessarily indicate demand reliably.

South Cambs, Cambridge and Huntingdon carried out a needs modelling exercise as part of their move towards a shared HIA service.

We asked Councils whether the type of work requested has changed over the past three years, and allowed a free text response. 21% reported an increase in the number of large and complex adaptations for children (and 3% reported a drop in this area). Several specifically indicated that the demand for this increased when the means test for children's adaptations was removed. For smaller districts, requests for large adaptations for children can leave then with little budget left for other customers.

9.2 Value for Money

All councils who responded have undertaken some work to try to improve value for money, but very few were able to identify how much money if any) had been saved – or how services had improved – as a result.

9.2.1 Value for Money through procurement of works 53% of respondents have introduced a common specification for particular works**.** North Warwickshire report that the average cost of an adaptation reduced from £7.3K to £5.2K, and North Devon reported saving 10% on fast-track works through a common specification, West Somerset have reduced the average cost of a wet floor shower by £1500 through a fixed price arrangement and Broadland have saved approximately 10% off the cost of bathing adaptations by introducing a common specification.

25% of Councils surveyed have undertaken shared procurement of works with other organisations. This mostly applies to stair lifts: there are county wide stair lift contracts in place in Oxfordshire, Devon, Essex and Norfolk, whilst Hampshire has a county-wide deal on discounted shower with a large provider, and Worcestershire are nearing completion of procurement of a county-wide approach to showers.

North Devon report saving 20% through shared procurement of stair lifts – but Corby investigated an ESPO arrangement and decided it would not save money for them. Runneymede found that larger scale procurement – jointly with others – had cost disadvantages due to the EU procurement regulations requiring a major exercise so did not proceed.

Some of the Cumbrian authorities have found significant savings by working together to share a framework for procuring all works, but Copeland looked at the framework introduced by Carlisle City Council and "found that by requesting two quotes we received better VFM". In other areas, councils are trying to batch jobs to create more efficient tendering of the work (although this does remove individual choice from the customer), and some have found that the CEL (Foundations) AKW framework for specifying showers has led to savings – eg Runneymede report a saving of up to 25% on material costs.

Some have tried recycling of stair lifts but North Yorkshire found that "it was costing us more to remove than it was worth", and Purbeck point out that savings are not that significant as new cost is low and refurbishment costs reduce any saving. In Staffordshire stair lifts are classed as equipment, with the responsibility for installing/ removing/ refurbishing picked up by the County Council rather than the DFG budget.

9.2.2 VFM through streamlining processes The survey identified a number of areas where Councils have worked together to streamline processes and introduce more efficient ways of working, that also reduce the time waited by customers and lead to more consistent services.

A number of these will be explored in more detail in case studies. Some examples of ways in which services are being streamlined includes:

- Shared DFG teams, eg Staffordshire Moorlands and High Peak ;
- County-level DFG project officers, to co-ordiante eg Cumbria;
- The development of integrated teams, bringing OTs and housing staff together with the HIA, e.g. Warwickshire, Norfolk;
- Common processes – eg Cumbria, Norfolk, Worcestershire.

Councils who have slimmed processes without participating in a larger scale review with others include Chiltern, who undertook a "lean thinking" review of processes to reduce unnecessary admin, and Elmbridge, who have reviewed processes using customer journey mapping, leading to co-location of the grant role and HIA and plans for an expanded HIA with Housing Options and an in house Housing OT.

9.2.3 VFM in Services to support customers One-third of respondents share HIA services with one or more other districts – although some report having abandoned attempts to set this up. Shared services vary from a three-district in-house shared service in Cambs, to services commissioned across a whole county, eg in Dorset, Kent and Somerset .

Eleven report having taken HIA services back in house and identify savings achieved to the DFG budget – in terms of fees paid, but without an indication of the impact on housing standards more widely, or on the services to customers. It is not clear from the survey alone, to what extent these decisions are based on county-level commissioning: in some counties, several districts have taken HIAs in house. In other areas, e.g. Essex, new HIAs are in operation following re-commissioning to achieve efficiencies. Staffordshire will be procuring a new HIA service shortly

9.2.4 VFM by managing demand effectively Of the councils who reported reducing demand for larger works under DFG, several also reported that they have changed the way they are working, and that this has had an impact on demand. For example: the introduction of integrated teams, so that OTs better understand what is possible and change the recommendations made; panels to consider larger cases, before the hopes of the applicant are raised; costed options appraisals on larger works, to consider cheaper adaptations.

For example, in Bassetlaw funding of adaptations is reducing year on year. The council has developed a DFG Panel of senior officers from the district council and the county council's occupational therapy dept that examines all requests for adaptation likely to exceed £10k. The panel considers all alternatives to meeting the needs of the client in the most cost effective way.

A quarter of respondents have identified potential savings by using a housing options approach, to encourage people to move rather than adapt, although more council report

giving some housing advice to those whose homes are not able to be adapted. Where the approach to housing advice is applied to all applicants and integrated with DFG processes, there is some evidence of success. For example, in Amber Valley work with the main social housing provider on early options advice and moving people prior to OT assessment.

Several respondents reported that housing options approaches don't work for them, because they are outside of their control, but there is real potential to reduce demand for DFG, especially but not exclusively within social housing, through looking at a range of options including moving to a more suitable home, before carrying out a major adaptation.

DFG funding can be used to support people to move, or other funding can be accessed to reduce the call on DFG budgets. Only 25% of respondents offer housing advice to all applicants, with the vast majority only offering housing advice to those whose home is difficult to adapt, and 13% offer no housing advice at all.

Only 14 respondents had used DFG funding to help households to move home rather than undergo an adaptation in the last three years. For example:

- North Norfolk have part-funded a new fully wheelchair accessible bungalow and part-funded property purchase, in both cases the maximum amount of DFG (£30,000) was allocated to this solution, so costs were not avoided in the short term, but a better long term solution was provided;
- South Derbyshire report using second homes money to help people with moving costs in three cases, where the move led to a need for lesser, and more cost-effective, adaptations;
- Chichester help 5-10 clients a year to move, using small grants of up to £2500 for removals, carpeting etc. They are now actively targeting support to people to move instead of adapting their homes, so expect the funds used for this to increase.

DFG demand can also be reduced by finding other solutions especially for smaller works. 20% of respondent councils offer minor adaptations (grab rails etc) through a handyperson scheme; nine of these are part- or fully-funded by Adult Social Care, and one receives Health funding. Some offer specific adaptations, whilst others operate a cost limit of one thousand pounds. Removing smaller works allows the DFG team to focus on more extensive adaptations.

Seven councils gave information about ways in which they deliver fast-track adaptations outside of the DFG scheme, usually using council funding (under RRO) to reduce the demand for DFG. These schemes include offering specific "gaining independence" grants, which may be targeted specifically at bathing or other adaptations, with fixed-price adaptations available. Other councils offer pass-porting of specified works for people who are on means-tested benefits. Case studies will look at these in more detail.

9.3 Working with Housing Providers

In our research, we discovered a number of models of good practice in adaptations involving registered providers:

- Direct employment of own OT. The role of an OT in a housing association varies but could include: advise on new properties being developed, either generic advice on

ensuring properties are adaptable in future, or specific advice on adapting a property for an identified household; advice on possible adaptations of existing properties; advice and support on re-letting an existing adapted property to try to ensure best use of the adaptations;

- Using OTs (internal or external) to train housing staff to understand when a minor adaptation can be carried out without their input, and when a referral to an OT should be made;
- Using housing staff to train health and/or care professionals to identify housing risks and needs eg healthy homes assessment, falls prevention, repairs on prescription, identifying fuel poverty etc;
- Imaginative proactive communication with tenants about what is possible and how to access services;
- Use opportunities of improvement programmes to future-proof properties. This may focus on simple things such as avoiding unnecessary level changes, or siting electrical sockets at waist height, or may be more significant such as redesigning kitchen layouts to reduce the risk of falls or installing wet rooms in all bungalows/schemes aimed at older people.

10. Research Findings – survey of housing providers

A number of housing associations contribute funding to adaptations from their own budgets. Some provide other services which are specifically aimed at reducing spend from health or social care budgets. In order to get a better understanding of the contribution made by housing associations, we undertook a literature review, sent a questionnaire to a small number of associations, and conducted interviews with some.

Our recommendations in chapter 4 of this report include some historic information about funding for adaptations and the current policy/legislative context so this is not repeated here.

Our survey and site visits revealed that many local authorities spend a significant proportion (20 – 40%) of their DFG budget adapting homes owned by social landlords. This is not sustainable, given the overall demand for adaptations that local authorities face. We also interviewed larger RPs who are clearly astute in making best use of DFG: funding works themselves in areas where protocols exist with other landlords, and where the council "makes it difficult" to claim DFG, but claiming DFG in full in areas where councils are quick to process applications.

The picture on what associations do currently is very mixed. Stock transfer associations will generally have a commitment to provide a certain level of funding for adaptations, although sometimes this provision is time-limited. Some areas have a formal compact between the local authority/ies and the housing associations, setting out who is responsible for what. Typically, these will either have a financial limit below which the association will do the works and above which the local authority will be responsible, or they differentiate on the type of work each will do. As previously noted, these compacts have no legal standing and it is very difficult for local authorities to enforce them if associations decide not to honour the agreement. Even in areas covered by compacts, not all associations will sign up to them.

Despite this, significant contributions are being made by associations to the cost of adaptations. Over 1,100 housing associations are registered with the National Housing Federation, the main membership body for housing associations. Between them, these associations own more than 2.5 million homes, and house over 5 million people (all statistics taken from NHF website). Typically, those associations that responded to our questionnaire were contributing between £200,000 and £500,000 a year to the cost of adaptations. Although it is almost impossible to estimate the total amount contributed by associations, this is likely to be well in excess of £20m and could be as much as £100m each year (£20m represents only 100 associations contributing £200,000 each, which would be a very conservative estimate. £100m would be only 500 associations contributing the same amount, or a smaller number contributing more).

Our recommendation that DFGs should no longer be paid on social housing properties therefore supports a clear direction of travel and helps to create a more level playing field between those who are already taking responsibility for smaller adaptations and those who are still relaying on the local authority to fund these.

Our recommendation is mainly around the funding of adaptations to social housing. Most landlords who fund adaptations to their own properties carry these out themselves either through an in-house DLO or via procurement of appropriate contractors. However, where an

association may feel that it lacks expertise or capacity, it could choose to purchase this service either from the local authority or from another RP. Our literature review notes that there is guidance for associations wishing to carry out adaptations ("Minor Adaptations Without Delay – a practical guide and technical specifications for housing associations" published jointly by College of Occupational Therapists and the Housing Corporation January 2006).

Much of the more recent literature looking at the contribution of housing associations focuses on their role in delivering care and support, in developing and managing extra-care housing, and on tele-care and tele-health services. These services can complement adaptations, and may in some cases help to reduce the demand for adaptations (where, for example, someone moves into an extra-care scheme). The literature review gives examples of specific schemes which aim to prevent or delay admission into hospital or residential care, and which facilitate earlier discharge from hospital. These schemes can deliver very significant savings for health care commissioners, and are often funded, at least in part, from health-care budgets.

10.1 Findings from the questionnaires and interviews

- We contacted a range of different types of association: traditional associations and stock transfer associations, larger and smaller associations and those based in rural and urban areas. Most of the associations we spoke to were carrying out adaptations in their own stock, and there did not seem to be any significant differences in approach for different types of organisation;
- Most of the associations we contacted offered care and/or support services for older and disabled people. This was an important part of their work for most of the associations, and they intended to maintain and/or grow these services in future. About half of the associations were already offering, or were planning to offer, care and/or support services to older and disabled people who were not their tenants;
- For the associations we contacted, the proportion of tenants aged over 65, and the proportion of those over 85, were in line with national population profile for these groups (using ONS 2011 census data, which shows the percentage of the population aged 65 and over as 16.6% and those aged 85 and over as 2.3%);
- All the associations carried out adaptations for households including a child with a disability. These were a small proportion of the number of adaptations carried out, although many of the associations noted that costs were often significantly higher;
- Most associations expected to demand to remain at similar levels or to increase in future. One association expected demand to fall which reflected the fact that it had dealt with a backlog of requests from the period prior to stock transfer;
- Although most associations were aware of individual cases where savings had arisen for health and care services, none had attempted to capture this systematically or to include it in discussions with commissioners.

10.2 Case studies

Origin housing association, which owns 5,000 homes across North London and Hertfordshire, employs an adaptations co-ordinator to ensure they make the best use of existing adapted properties, and to support tenants needing adaptations to decide whether to move or to have adaptations carried out to their existing home.

Alliance Homes is a stock transfer association owning more than 6,000 homes in North Somerset. The price of adaptations work is market tested every two years to ensure that it remains value for money. Alliance also co-ordinate a number of "home from hospital" schemes, ensuring easy contact for medical staff and referring people on to the most appropriate scheme.

Teign Housing, a stock transfer association owning 3,500 homes in Devon, has developed a number of new homes for specific households including someone with a disability. They work closely with the local authority to identify the household in need. They have also converted an existing property to enable someone to be discharged from hospital. Teign employ their own OT, sharing the cost with a neighbouring association.

Aster living, part of the Aster Group, runs a number of "home from hospital" schemes funded by healthcare commissioners. The schemes can involve getting the home ready by supporting with practical things to fitting grab rails and installing level access ramps. Increasingly telecare is seen as part of the solution.

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