



## Disabled Facilities Grants (England)

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Mandatory Disabled Facilities Grants (DFGs) are available from local authorities in England and Wales and the Housing Executive in Northern Ireland. They are issued subject to a means test and are available for essential adaptations to give disabled people better freedom of movement into and around their homes, and to give access to essential facilities within the home. This note provides an overview of the DFG system and other help available to secure disabled adaptations. The note focuses on the system in England but DFGs in Wales are issued under the same governing legislation. The note also considers the adequacy of the DFG system and recommendations for reform.

In January 2004 the Office of the Deputy Prime Minister (ODPM, the department responsible for housing matters until its disbandment in May 2006) commissioned a wide ranging interdepartmental review of DFGs. Following this review the Labour Government published proposals aimed at improving the DFG programme on 25 February 2008. **Section 6** of this note outlines the key recommendations of the review, many of which, but not all, were implemented.

Communities and Local Government (CLG, the department that took over responsibility for housing matters from the ODPM) also published its national strategy for housing in an ageing society, *Lifetime Homes, Lifetime Neighbourhoods*, in February 2008, chapter 6 of which considered the modernisation of DFGs.

When it became clear that issues still remained after the implementation of a number of the 2008 review's recommendations, CLG commissioned the Building Research Establishment (BRE) to carry out more detailed work on the DFG allocation process and means testing. This research (published in February 2011) estimated that the total amount required to cover grants for all of those who were theoretically eligible was £1.9bn at 2005 prices - representing more than ten times the total amount of DFG funding allocated in England in 2009-10 (£157m).

[The Commission on the Funding of Care and Support](#) which reported in July 2011 recommended a review of the operation and administration of DGFs. The July 2012 White Paper, *Caring for our future: reforming care and support* contained no proposals to reform the DFG system but did say that the [draft Care and Support Bill](#) would "set out new duties to be placed on local authorities to ensure that adult social care and housing departments work together."

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## 1 Applying for a DFG

Mandatory DFGs are available from local authorities in England and Wales and the Housing Executive in Northern Ireland, subject to a means test, for essential adaptations to give disabled people better freedom of movement into and around their homes and to give access to essential facilities within the home.<sup>1</sup> The legislation governing DFGs in England and Wales is the *1996 Housing Grants, Construction and Regeneration Act*.<sup>2</sup> Discretionary DFGs were abolished with effect from July 2003.<sup>3</sup>

The types of work that mandatory DFGs can cover includes:

- making it easier to get into and out of the dwelling by, for example, widening doors and installing ramps;
- ensuring the safety of the disabled person and other occupants by, for example, providing a specially adapted room in which it would be safe to leave a disabled person unattended or improved lighting to ensure better visibility;
- making access easier to the living room;

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<sup>1</sup> Scotland operates a different grant system to that in England and Wales. Although grant assistance may be available for disabled adaptations it is not issued in the form of a DFG.

<sup>2</sup> The powers of the Secretary of State contained within the 1996 Act, so far as they are exercisable in relation to Wales, were transferred to the National Assembly for Wales by the *National Assembly for Wales (Transfer of Functions) Order 1999* (S.I. No. 1999/672) and have been transferred to Welsh Ministers by virtue of section 162 and paragraph 30 of Schedule 11 to the *Government of Wales Act 2006*.

<sup>3</sup> *The Regulatory Reform (Housing Assistance) (England & Wales) Order 2002*

- providing or improving access to the bedroom, and kitchen toilet, washbasin and bath (and/or shower) facilities; for example, by installing a stair lift or providing a downstairs bathroom;
- improving or providing a heating system in the home which is suitable to the needs of the disabled person;
- adapting heating or lighting controls to make them easier to use; and
- improving access and movement around the home to enable the disabled person to care for another person who lives in the property, such as a spouse, child or another person for whom the disabled person cares.

On 22 May 2008 access to a garden was brought within the scope of a DFG where the work will facilitate access to and from a garden by a disabled occupant or make access to a garden safe for a disabled occupant.<sup>4</sup>

Before issuing a DFG a local housing authority must satisfy itself that the works are necessary and appropriate to meet the needs of the disabled person and are reasonable and practicable depending on the age and condition of the property. In reaching a decision the authority will consider the following factors:

whether the proposed adaptations or improvements:

- are needed to provide for a care plan to be implemented which will enable the disabled occupant to remain living in their existing home as independently as possible;
- would meet, as far as possible, the assessed needs of the disabled person taking into account both their medical and physical needs; and
- distinguish between what is desirable and possible legitimate aspirations of the disabled person, and what is actually needed and for which grant support is fully justified.

Section 24(3) of the 1996 Act imposes a duty on local housing authorities to consult social services authorities in coming to a view on whether the proposed works are 'necessary and appropriate'<sup>5</sup> - housing authorities themselves must decide whether those works are 'reasonable and practicable.'

Local authorities are required to issue a decision on a properly completed DFG application within six months of its receipt. Communities and Local Government (CLG) issued guidance to authorities in 2006 setting out best practice in delivering housing adaptations which included target times for the complete delivery process. The *Delivering Adaptations* guidance consisted of three documents:

- *A desk guide*
- *Responding to the Need for Adaptation: An Overview*
- *Delivering housing adaptations for disabled people – a good practice guide*
- *Delivering housing adaptations a good practice system review checklist*

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<sup>4</sup> *The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008* (SI 2008/1189)

<sup>5</sup> This assessment is usually carried out by an occupational therapist.

When giving [evidence](#) to the Joint Committee on Human Rights (25 November 2011) the Minister, Grant Shapps, said that he had asked the Housing Adaptations Consortium to produce a good practice guide on DFGs.<sup>6</sup> Baroness Hanham, replying to a written question, said that this guidance would be published “later this year:”

**The Parliamentary Under-Secretary of State, Department for Communities and Local Government (Baroness Hanham):** Non-statutory guidance was last produced in 2006 under the previous Administration and is now out of date. The Disabled Facilities Grant Best Practice Guidance is due to be published later this year by the Homes Adaptations Consortium. It will draw on examples of excellence and best practice to highlight innovative and cost effective ways of delivering adaptations to help disabled people lead independent lives. This Government do not and will not impose monitoring procedures. We have a clear policy to reduce Whitehall interference and monitoring.<sup>7</sup>

In *Responding to the need for adaptation: an overview*, the Department made it clear that eligibility for DFGs is ‘tenure neutral’:

28. Access to assistance in the provision of adaptations should not depend upon the tenure of the disabled person. A local authority may determine that it will fund adaptations to council-owned property other than through the DFG mechanism. However, this should not result in a worse service to the occupants than that received by applicants who live in other tenures. This applies both to the level of support received and the time taken to provide a service.

29. Where the local authority believes that Registered Social Landlords (RSLs) should make a contribution to the costs of adaptations in their own properties this should be negotiated and established through formal agreement. Whilst there is no specific obligation on the landlord to fund such work, and the Housing Corporation<sup>8</sup> has no statutory duty to subsidise the costs involved, it may be considered good practice for a responsible social landlord to respond to the needs of its disabled tenants. Good practice for RSLs in identifying need, liaising with statutory authorities and carrying out works of adaptation is set out in guidance from the Housing Corporation.

30. In the case of stock transfers from local authorities to housing associations, the new RSL tenants will remain eligible to apply to the housing authority for a DFG, and they will be assessed for needs on the same basis as private owners and tenants. As part of their contractual negotiations, the authority and the new landlord should therefore agree how the management of the needs of disabled tenants will be addressed and reflect this in clear public and management guidance.

31. It is not lawful for persons in any tenure to be obstructed in making an application for assistance through a DFG.

See section 4 of this note for information on how local authorities approach their tenants’ requests for adaptations.

The [GOV.UK](#) carries basic information and guidance for people interested in applying for a DFG.

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<sup>6</sup> The consortium is made up of a broad spectrum of national organisations working together to champion quality provision of home adaptations for disabled people.

<sup>7</sup> HL Deb 6 February 2013 c61WA

<sup>8</sup> Now the Homes and Communities Agency (HCA)

## 2 The amount of grant: test of resources

Once the necessary conditions are fulfilled DFGs are mandatory, subject to a means test and an upper grant limit. The test of resources for grant applicants is set out in the *Housing Renewal Grants Regulations 1996* (SI 1996/2890, as amended<sup>9</sup>). The test largely mirrors the system of calculating entitlement to Housing Benefit. Grant applicants may receive a full grant or may be required to make a contribution towards the cost of the works. The maximum grant limit in England was increased from £25,000 to £30,000 from 22 May 2008.<sup>10</sup> In Wales the maximum DFG grant is £36,000.<sup>11</sup> Research published by the Building Research Establishment (BRE) in 2011 identified four stages within the means testing process:

- **Assess how much the household needs to live on.** This is referred to as 'allowable income' and is calculated using a set of standard allowances for living costs using basic amounts of income support/pension credit and a flat rate allowance for housing costs.
- **Compare this with their actual income to see if they have any 'surplus' income they could use to pay off a loan.** A 'tariff' income is added on for any savings over £6,000. If the household is in receipt of any means tested benefits, they are automatically 'passported' through and awarded a 100 per cent grant even if they have some small surplus income according to this calculation.
- **For those not in receipt of means tested benefits, calculate how big a loan they could afford to pay off using their 'surplus' income.** The calculations assume a loan period of 10 years for owner-occupiers and 5 years for tenants at a standard rate of interest and incorporate 'tapers'.
- **Compare the size of the loan they could afford with the cost of the work needed to see whether they qualify for a grant.** If the calculated loan amount is the same or greater than the cost of the adaptations, they do not get any grant. If the loan amount is less than the cost of works, the amount of grant is calculated as the total cost of works minus the calculated loan amount.<sup>12</sup>

With effect from 31 December 2008 the then Government made changes to the means test to assist ex-service personnel applying for a Disabled Facilities Grant.<sup>13</sup> Certain payments to the most seriously disabled service personnel are now disregarded for the purposes of assessing eligibility.

In *Lifetime Homes, Lifetime Neighbourhoods* the then Government said that further work was required on the means test and how it could be brought into line with the means test used for linked services – a commitment was made to ensuring the relevant departments continued to work closely on these issues.

### 2.1 DFGs for disabled children

The Department for Social Development in Northern Ireland announced its intention to abolish the DFG means test for parents of children with disabilities in December 2003. The

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<sup>9</sup> Most recently by *The Housing Renewal Grants (Amendment) (England) Regulations 2009* (SI 2009/1807)

<sup>10</sup> *The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008* (SI 2008/1189). In relation to grant applications approved before 22 May 2008, where work has not yet started, applicants can make a fresh application as there is no time limit on successive DFG applications. The Government expects authorities to view such applications sympathetically.

<sup>11</sup> (SI 2008/2370) -the maximum amount in Wales has always been higher than that set in England due to the age and nature of the housing stock in Wales and the country's topography.

<sup>12</sup> BRE, *Disabled Facilities Grant allocation methodology and means test: Final report*, 2011

<sup>13</sup> *The Housing Renewal Grants (Amendment) (No. 2) (England) Regulations 2008* (SI 2008/3104)

Government was subsequently asked whether there was an intention to follow this example in England and Lord Rooker responded thus:

This is a very serious issue about which there has been pressure on the Government for some time. The Office of the Deputy Prime Minister,<sup>14</sup> jointly with the Department of Health, will be reviewing the disabled facilities grant programme, including the operation of the means test, in the context of the spending review 2004. We will announce our conclusions later this year. The position in Wales is, of course, a matter for the Welsh Assembly, but I am led to believe that it will also be undertaking a review of this important issue this year.<sup>15</sup>

On 27 April 2005 Edwina Hart, the Minister for Social Justice and Regeneration in Wales, announced that the means test in respect of DFG applications from families with disabled children would be abolished.

On October 27 2005, the then Minister for Housing and Planning, Yvette Cooper, announced that the interdepartmental review of DFGs was complete and that the Government would be considering the report's recommendations over the next few months.<sup>16</sup> The Minister announced that a consultation paper would be issued in due course which would respond to the review's recommendations. However, she did announce that the means test in respect of DFG applications from families with a disabled child in England would be removed "as soon as the necessary secondary legislation can be made."

*The Housing Renewal Grants (Amendment) (England) Regulations 2005* (SI 2005/3323) came into force on 31 December 2005. Regulation 6 amended the 1996 Regulations with the effect that the means test no longer applies where an application for grant is made by the parent or guardian of a disabled child or young person. This provision has applied to applications received by local authorities since 31 December 2005.

It was estimated that the exemption would create an extra annual resource burden of £12 million. The then Minister said that the increased budget for DFGs in 2006/07 should be sufficient to accommodate the exemption.<sup>17</sup>

In May 2009 the Joseph Rowntree Foundation published an overview of information about housing for disabled children and their families, and ideas for improving their circumstances: [Housing for disabled children and their families: an information resource](#).

### **3 DFG funding**

Up to 2008/09 CLG was obliged to meet 60 per cent of whatever local authorities spent on DFGs but expenditure above these allocations had to be met from other local authority resources. The 60:40 DFG funding split ended in April 2008. Local authorities now receive a DFG allocation without a specified requirement to match this funding. This aim of this change was to give authorities increased flexibility to design services that fit with local delivery arrangements and the needs of individuals.

Since 2010/11 funding for DFGs has been paid to local authorities as an un-ring fenced payment as part of the Single Capital Pot, through a determination under section 31 of the

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<sup>14</sup> The ODPM had responsibility for housing matters before the creation of CLG in 2006.

<sup>15</sup> HL Deb 5 January 2004 c1

<sup>16</sup> [Reviewing the Disabled Facilities Grant Programme](#), October 2005

<sup>17</sup> *ibid*

*Local Government Act 2003*.<sup>18</sup> This means that funding for a number of programmes is being pooled together: it is for local authorities to determine, against local priorities, how they best use these funds. When questioned on the impact of the ring-fence removal the Government has emphasised the benefits of greater flexibility:

The coalition Government are also committed to decentralisation and greater freedoms for local government, which is why we have freed funding from the Whitehall ring-fencing.

This decentralisation will give local authorities the ability to commission services innovatively, for example by linking up with other related funding streams and programmes to produce better outcomes from the available resources.<sup>19</sup>

DFG funding more than doubled between 1997 and 2007/08 and increased again by 20 per cent over 2008/09. The current Government has increased funding over the Spending Review period – expenditure is set to rise to £185 million in 2014/15:

1997/98	£56m
1998/99	£59m
1999/00	£65m
2000/01	£72m
2001/02	£87m
2002/03	£88m
2003/04	£99m
2004/05	£101.5m
2005/06	£103.3m
2006/07	£120.8m
2007/08	£126m <sup>20</sup>
2008/09	£146m <sup>21</sup>
2009/10	£156m
2010/11	£166m
2011/12	£180m <sup>22</sup>
2012/13	£220m <sup>23</sup>

As part of the October 2010 Spending Review the Chancellor announced that DFG funding up to 2014/15 would rise with inflation and that “reform of the council housing finance system will build in the resources needed to carry out future disabled housing adaptations required in the council housing stock.”<sup>24</sup>

On 23 March 2012 the Government confirmed a total allocation of £180m for DFGs over 2012/13 with an additional £228,750 for local authorities “that have funded adaptations for ex-service personnel in 2011/12 to enable them to live at home with dignity and respect.” The Government expressed its support for the DFG programme:

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<sup>18</sup> See section 6 of this note for further information.  
<sup>19</sup> HL Deb 1 December 2011 WA90  
<sup>20</sup> On 14 January 2008 the then Communities Minister, Baroness Andrews, announced that funding for DFGs in 2007/08 would be increased by £11.5m up to the end of March making the total available in that financial year £138m. She said that this would enable councils to “ramp up” their DFG programmes up to the end of the financial year.  
<sup>21</sup> On 2 February 2009 Communities and Local Government allocated an additional £4 million towards the DFG 2008/09 programme bringing the total funding in that year up to £150m.  
<sup>22</sup> A further £20m was added to this sum for 2011/12  
<sup>23</sup> On 6 December 2012 CLG informed local authorities in England of an additional one-off allocation of £40m for DFGs in 2012/13: [http://www.sitra.org/fileadmin/sitra\\_user/2012/Policy/DFG\\_LA\\_Letter-extra\\_40m\\_FINAL-Dec\\_2013-incl.Determ.pdf](http://www.sitra.org/fileadmin/sitra_user/2012/Policy/DFG_LA_Letter-extra_40m_FINAL-Dec_2013-incl.Determ.pdf)  
<sup>24</sup> [http://cdn.hm-treasury.gov.uk/sr2010\\_chapter2.pdf](http://cdn.hm-treasury.gov.uk/sr2010_chapter2.pdf), Cm 7942 para 2.32

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 we announced an additional £20 million DFG funding, bringing the total this year up to £200 million, delivering a total investment of £745 million over the SR period.

The programme helps disabled people to live as comfortably and independently as possible in their own homes through the provision of adaptations. Entitlement to a Disabled Facilities Grant is mandatory for eligible disabled people and the grant provides financial assistance for the provision of a wide range of housing adaptations ranging from stair lifts, level access showers and home extensions. The programme is therefore key in delivering the Government's objective of providing increased levels of care and support to both disabled and vulnerable people to help them live independently in their own homes.

The Department for Communities and Local Government wrote to all local authorities in January 2011 to announce a small change to the Disabled Facilities Grant allocation methodology, with part of the allocation being distributed using a relative needs weighted index. We are making £180 million available in 2012/13, the same as the main allocation in 2011-12, and as a result, all local authorities will receive the same individual allocations as they did in 2011/12.<sup>25</sup>

Research commissioned by DCLG and carried out by the Building Research Establishment (BRE) was published in February 2011, *Disabled Facilities Grant allocation methodology and means test: Final report*. The BRE estimated future demand for DFGs:

Analysis using English house condition survey data has indicated 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). There are two key sources of additional funding that need to be exploited if we are to begin to bridge this funding gap and make a real change to the independence and quality of life of people needing adaptations: budgets for health and care services; and the amount of equity locked up in owner-occupied housing.<sup>26</sup>

The administration of DFGs was to be considered as part of a wider review of care and support:

**Henry Smith:** To ask the Secretary of State for Communities and Local Government when the review of the effectiveness of administration of the disability facilities grant will be concluded.

**Andrew Stunell:** There is currently no review into the effectiveness of administration of the Disabled Facilities Grant. However, the recently published report by the Commission on the Funding of Care and Support recommends reviewing the operation and administration of the Disabled Facilities Grant. The Government welcome this report and will be reviewing the recommendations with the care sector over the autumn. Following this engagement, we will publish a White Paper on social care reform in the spring next year, as well as a progress report on funding reform.<sup>27</sup>

The Commission on the Funding of Care and Support (July 2011) concluded:

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<sup>25</sup> HC Deb 23 March 2012 78-9WS

<sup>26</sup> BRE, *Disabled Facilities Grant allocation methodology and means test: Final report*, 2011

<sup>27</sup> HC Deb 6 September 2011 c484W

In addition to AA and DLA, there are many other benefits, grants and funds that individuals or carers claim; examples include Carers' Allowance, Severe Disability Premium in Pension Credit, Disabled Facilities Grant and Supporting People. Interactions between these are complex, and the Commission recommends that the Government should undertake a full review of the effects of changes to the funding of the social care system on these benefits, grants and funds. **Where possible, the Commission urges the Government to consider how to simplify the system – through better alignment or integration of funding streams.**

The White Paper, *Caring for our future: reforming care and support* (July 2012) contained no proposals to reform the administration of the DFG system. See section 8 of this note for more information.

#### 4 DFGs and local authority tenants

Although the DFG framework and mandatory aspect of the grant applies across all tenures, the main DFG budget cannot be used for the funding of adaptations to local authority properties.

As part of its review of *council housing finance* (July 2009) DCLG considered the issue of unmet demand for disabled adaptations in local authority housing stock. Local authorities had provided adaptations to their own housing stock through their Housing Revenue Account allowances.

The consultation proposed to allow local authorities to retain 100% of capital receipts raised from the sale of housing stock under the right to buy to allow more funding to be allocated for the adaptation of council housing stock:

We suggest above a policy on local authority retention of capital receipts. This would be split 25 per cent and 75 per cent between receipts that could go to the general fund (the status quo) and those ring fenced for the HRA. Such an arrangement would not disturb the income currently used as a source of funds for disabled adaptations in the private sector (including RSLs) and would give additional scope to local authorities to use some of their Right to Buy receipts in the HRA to meet rising demand for disabled adaptations in the LA sector.<sup>28</sup>

The coalition Government announced its intention to continue with the reform of council housing finance and, as noted in section 3 above, as part of the 2010 Spending Review said "reform of the council housing finance system will build in the resources needed to carry out future disabled housing adaptations required in the council housing stock."<sup>29</sup> Provisions were included in the *Localism Act 2011* to reform the council house finance system with effect from April 2012 but the settlement reached in respect of capital receipts is rather different to that proposed by the Labour administration.

On 13 December 2010 Grant Shapps advised that 75% of net receipts from any Right-to-Buy (RTB) sales would continue to be returned to the Exchequer. He went on to explain that estimates of the loss of income from these sales would be built into the valuation of each council's housing business, while receipts from other disposals would continue to be held locally to spend on affordable housing or regeneration.<sup>30</sup> However, the Minister also

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<sup>28</sup> CLG, *The reform of council housing finance*, July 2009

<sup>29</sup> [http://cdn.hm-treasury.gov.uk/sr2010\\_chapter2.pdf](http://cdn.hm-treasury.gov.uk/sr2010_chapter2.pdf), Cm 7942 para 2.32

<sup>30</sup> For detailed information see Library note SN/SP/4341

announced that the self-financing settlement for local authorities would include £116 million of extra funding each year for councils to pay for disabled adaptations to their stock.

The final HRA self-financing determinations were published on 1 February 2012<sup>31</sup> and self-financing came into effect in April 2012.

## **5 Other assistance**

### **5.1 Chronically Sick and Disabled Persons Act 1970 (CSDP)**

In certain circumstances DFG applicants who are required to make a contribution to (all or part of) the cost of the works may qualify for financial assistance under 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".

Department of the Environment (DOE) Circular 10/90<sup>32</sup> makes it clear in paragraph 17 that councils may be under a duty to provide financial assistance under section 2(e) to help with an applicant's contribution towards adaptation works following a means test. The Circular suggests that, in considering the question of financial assistance, the welfare authority (social services) should not carry out a separate means test but may consider whether meeting the full cost of the contribution would cause the applicant hardship. Councils have discretionary powers under the *Health and Social Services and Social Security Adjudications Act 1983* (s.17) to recover the full cost of any assistance given where the client is deemed able to afford to repay.

DOE Circular 17/96 states that where the social services authority determines that the need (e.g. for works) has been established, it remains their duty to assist even where the local housing authority either refuse or are unable to approve a DFG application.<sup>33</sup>

The [draft Care and Support Bill](#), which is currently subject to pre-legislative scrutiny, will consolidate existing legislation, including the CSDP, into "a single, clear statute, supported by new regulations and a single bank of statutory guidance"<sup>34</sup> (see section 8 of this note).

### **5.2 The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002**

Local authorities were given extended powers to issue loans and other forms of assistance to DFG applicants under *The Regulatory Reform (Housing Assistance)(England and Wales) Order 2002* which came into force on 18 July 2002. Local housing authorities cannot use these discretionary powers unless they have published a policy setting out how they intend to use them.<sup>35</sup> Full guidance can be found in the Government Circular, [Housing Renewal](#).

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<sup>31</sup> <http://www.communities.gov.uk/publications/housing/selffinancingdeterminations>

<sup>32</sup> DOE *House Adaptations for People with Disabilities*

<sup>33</sup> p.191

<sup>34</sup> Cm 8386

<sup>35</sup> See Library Standard Note SN/SP/1617

### 5.3 Home Improvement Agencies (HIAs)

HIAs advise people on improvements and adaptations which they may need to their homes and assist them in applying for local authority grants or loans to carry out the required work. They also help to identify reputable local contractors, helping vulnerable people to avoid 'cowboy' builders. They then oversee the work to ensure that their clients are completely satisfied. They are small, locally based not-for-profit organisations, although some are part of larger housing and support service organisations or local authorities.

HIAs receive most of their revenue funding from local government through Supporting People (SP) and general housing funds. Under SP, funding decisions are made by local authorities rather than by central government.

On 4 December 2007 the Labour Government announced plans to strengthen HIAs with two new programmes:

- A new three-year contract for a national co-ordinating body for HIAs. The body will support the delivery of the forthcoming national strategy for housing in an ageing society, provide ongoing support to HIAs and give a voice for the sector in Government.
  - A Future HIA project, to be taken forward by Foundations Home Improvement Agency,<sup>36</sup> to help ensure that HIAs are fit for the future and to see whether they can deliver wider services, such as housing options advice, gardening services, support for people discharged from hospital.<sup>37</sup>

Chapter 5 of *Lifetime Homes, Lifetime Neighbourhoods* (February 2008) provided information on work to enhance the role of HIAs in delivering adaptations. Foundations published its report on the future HIA, *Supporting choice and maintaining independence*, in September 2008. The key messages in this report are:

For over 20 years, HIAs have been successful in meeting older and vulnerable people's needs, but must adapt to meet the aspirations of CLG's Strategy for Housing in an Ageing Society, *Lifetime Homes, Lifetime Neighbourhoods*, and develop new markets for their services.

HIAs will become more diverse as they respond to local needs and priorities. Two ingredients will continue to define the HIA: client-centred support for people to exercise choice over their home environment, and expertise in making changes to the physical fabric of the home.

Government support will continue for HIAs and their commissioners through the new National Body contract, investment in the Future HIA project, and £33m extra funding for the development of handy-person services and information and advice services.<sup>38</sup>

The current Government has provided funding for [FirstStop agency](#) which provides advice on housing options for older people and for Home Improvement Agencies:

Government has also invested £1.5 million in the FirstStop information and advice service which aims to help older and vulnerable people make informed decisions about their housing, care and support options and to help them maintain independent living in later life. In addition, the Government provided £51 million funding for Handy-persons

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<sup>36</sup> The national co-ordinating body for HIAs.

<sup>37</sup> CLG Press Notice, "Government ramps up funding for home adaptations," 4 December 2007

<sup>38</sup> <http://www.communities.gov.uk/publications/housing/futurehia>

schemes over the spending review period to deliver small home repairs and adaptations.<sup>39</sup>

In the July 2012 White Paper, *Caring for our future: reforming care and support*,<sup>40</sup> the Government made a commitment to extend the work of HIAs:

We have heard that many Home Improvement Agencies rely on referrals from local authorities or Disabled Facilities Grant applications, and do not do enough to reach out to their whole populations. **The Government will work with Foundations, the national body for Home Improvement Agencies, to extend their service to more people who fund their own adaptations and ensure that people obtain timely support in securing appropriate home modifications.**<sup>41</sup>

#### 5.4 Registers of accessible housing

In *Lifetime Homes, Lifetime Neighbourhoods* the then Government emphasised the need to make the best use of existing adapted housing:

A number of authorities have taken steps to address this situation by developing registers of accessible housing. Such registers contain detailed information about the specific access features of individual properties. This enables an authority precisely to quantify its existing stock of accessible housing and enable more accurate matching with the specific requirements of disabled people. Such registers can achieve significant savings for the public purse. In Cardiff, for example, a register was established, successfully re-housing three hundred disabled people between 2002 and 2005, saving an estimated one million pounds from the disabled facilities grant.

We want local authorities to adopt lettings approaches which give existing and aspiring social housing tenants more choice and control over where they live. So-called choice based lettings (CBL) schemes allow people to apply for vacancies which are openly advertised, for example, in local press or on a website. Ninety-five per cent of authorities in England have already implemented CBL, or plan to do so by our target date of 2010. Where accessible properties are advertised, it is vital that they are properly labelled as to the type and level of access features, so that those with disabilities can select housing which is appropriate to their needs. CBL offers a key opportunity, therefore, to improve information about available accessible housing.

Some CBL schemes already incorporate an Accessible Housing Register. This number is set to increase, both for single local authority CBL schemes, and the growing number of larger CBL schemes which bring together a number of local authority and housing association partners. So, for example, a London-wide Accessible Housing Register is being developed alongside a pan-London choice and mobility scheme. Communities and Local Government has provided £168k to assist London boroughs and RSLs to implement the AHR.

Communities and Local Government will continue to encourage the adoption of Accessible Housing Registers through, for example, the statutory guidance on CBL which is due to be published in early 2008; and will support the dissemination of good practice models, such as the London-wide AHR.

Guidance on choice-based letting schemes was issued in August 2008 and contained a section on providing choice for disabled people with access needs. The current Government issued new guidance on housing allocations for local authorities in England in June 2012,

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<sup>39</sup> HC Deb 23 March 2012 78-9WS

<sup>40</sup> Cm 8378, July 2012

<sup>41</sup> *Ibid* p28

*Allocation of accommodation: Guidance for local housing authorities in England.* This has replaced all previous guidance and, aside from advising that disabled people with access needs should be afforded “reasonable preference” when allocating social housing, it is silent on this issue.

## **6 The Labour Government’s interdepartmental review of DFGs**

The Labour Government announced a fundamental review of the administration of the DFG system in December 2004:

The Government recognises that disabled people need to continue to live independently and in a place of their own. This is why resources through the Disabled Facilities Grant has continued to increase to ensure they can make essential adaptations to their homes, such as ramps, lifts and level access showers.

Alongside this boost to funding, the Government is undertaking a fundamental review of how the DFG programme is administered. A working party including officers from the ODPM, Department of Health and the Department of Education and Skills together with key stakeholders involved in delivering housing adaptations will report back in May 2005 with recommendations to improve the fairness and efficient delivery of the programme.<sup>42</sup>

As noted in section 2.1 of this note, the review published its findings in October 2005.<sup>43</sup> The Government acted quickly to implement the removal of the means test in respect of DFG applications from families in England with a disabled child. Subsequently, in January 2007 CLG published a consultation paper, *Disabled Facilities Grant Programme: The Government’s proposals to improve programme delivery*. This paper provided a response to the recommendations of the 2005 review and contained proposals to improve the immediate provision and impact of DFGs, as well as longer term proposals.

The problems and challenges facing the DFG programme were identified as:

- a very high and increasing demand for the grant. This is because of:
  - the mandatory nature of the grant entitlement combined with a rapidly increasing age profile of the population. Over 70 per cent of DFG grants go to people aged over 60 and it is this section of the population which is likely to grow dramatically in the future; and
  - the increasing number of children with severe disabilities, including complex health conditions. Such cases currently account for under 10 per cent of the number of DFG applications but the average expenditure per case is higher than average. The removal of the means test for these cases will also have a significant resource effect.
- the existing pressure on resources within the DFG programme which has meant that, despite the increases in Government funding for the programme since 1997, this has led to long waiting lists of grant applications in some areas;
- the means test which is designed to channel assistance towards those most in need is poorly targeted and can be seen to treat particular groups harshly;

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<sup>42</sup> ODPM press notice 328/2004, 27 December 2004

<sup>43</sup> *Reviewing the Disabled Facilities Grant Programme*, October 2005

- there are limitations to grant entitlement under the DFG programme because of the restricted purposes for which grant must be made available and because of the maximum limit. Although assistance may also be available from other social care and housing programmes to meet specialist needs this may not always be forthcoming and the multiplicity of support programmes adds to the complexity and confusion of the system;
- this complexity is compounded because DFG is often operated independently of other social care and community equipment programmes;
- entitlement to DFG applies across all housing tenures but the complexities of the various funding streams means that in practice inequities can occur and cause hardship and resentment; and
- the service which is offered through DFG to disabled people is not normally widely publicised and the support available to help the applicant through the process is not always available.<sup>44</sup>

Reproduced below is a summary of the Labour Government's proposals for changes to the DFG programme; there was to be no change to the mandatory nature of the grant available.

**Proposals which can be developed quickly:**

Extending the scope: Meeting more needs

a) Maximum limit of £25,000 to be increased immediately to £30,000.<sup>45</sup> This will be subsequently reviewed with the aim of increasing to £50,000 in stages if the evidence shows that local authorities are realising sufficient offsetting savings through using the powers described in b) below.

b) General Consent to be issued under secondary legislative powers to allow local authorities to reclaim DFG in certain cases when adapted property in owner occupation is sold, subject to safeguards and limits. A range of options on how this might work is suggested in the paper but in all cases there would be a minimum award of grant of at least £5,000 for which no repayment conditions could be attached.<sup>46</sup>

c) New Statutory Instrument to be made which would clarify that DFG is available as a mandatory entitlement to ensure disabled persons have access to the garden and other outside spaces included within the boundary of the dwelling.<sup>47</sup>

Ensuring clearer priorities and strategy

d) Issue new guidance to Regional Assemblies (RAs) to ensure that Regional Housing Strategies have a more explicit policy on adaptations as well as a more strategic and coherent approach to accessible housing. Disabled Facilities Grant would be rebadged and called Accessible Homes Grant to reflect this wider ambit. The mandatory entitlement of disabled people to support would be unaffected.

e) This will be linked to new guidance to housing associations emphasizing the need for them to contribute towards the regional strategy on accessible housing and to reach local agreements with local authorities in relation to major housing adaptations with a view to sharing the cost.

f) Provide additional flexibility for the use of the Communities and Local Government ring-fenced grant for DFG so that it can be used for associated purposes such as a

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<sup>44</sup> *ibid* p.10

<sup>45</sup> This was implemented from 22 May 2008.

<sup>46</sup> This was implemented from 22 May 2008 – local authorities have discretion to impose a limited charge on adapted properties of owner occupiers if they are sold within 10 years. Where the cost of the DFG exceeds £5,000 the limit of the maximum charge is £10,000.

<sup>47</sup> Implemented from 22 May 2008

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

Faster delivery and simpler access:

g) Encourage local authorities to build on best practice and use their new financial flexibilities and freedoms to develop fast track delivery systems to deliver urgent and small-scale adaptations. Further guidance on model delivery systems will be issued. h) Introduce a simplified application process for DFG through changes to secondary legislation.

i) Promote new methods for procurement of adaptations equipment to reduce costs, eg through regional development centres.

j) Pilot the increased use of Home Improvement Agencies (HIAs) in delivery of housing adaptations. Firstly, to provide a rapid response for the prevention of accidents and promote early release from hospital, (based on the system used in Wales). Secondly, to provide a full agency service for housing adaptations in county areas. Possibly as part of extended Link-Age Plus pilots.

Working towards integrated services

k) Communities and Local Government will continue to work with DfES to consider how DFG could better meet the needs of disabled children and their families.

l) The Government recognises the potential benefits of the re-designation of stair lifts as items of equipment to be provided by the Community Equipment Service rather than through DFGs. Communities and Local Government to work with DH to examine the financial and other implications of this change, taking account of the views expressed by local authorities and other stakeholders.

m) Communities and Local Government will work with HMT/DWP/ etc to consider the scope for improved targeting of the DFG means test given available resources.

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

n) Disabled Facilities Grant to be an important part of the Individual Budgets Pilot programme with a Government commitment to explore how it can be more closely integrated into a new system for social care for older and disabled people, incorporating a more streamlined assessment of need, a transparent allocation of resources and greater flexibility and choice for those being supported.

o) Review of legislation for providing housing adaptations and of organizational structures for delivery to await evaluation of the Individual Budget Pilots.

p) The Government accepts there will be a need to consolidate the DFG and Care Services means tests – subject to successful evaluation of Individual Budget Pilots; a decision to roll-out Individual Budgets (IBs) nationally; and available resources.<sup>48</sup>

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<sup>48</sup> *ibid* pp12-13

The consultation period closed on 13 April 2007. The then Government published a summary of responses together with its initial conclusions in August 2007.<sup>49</sup> Subsequently, on 25 February 2008 the Government published *Disabled Facilities Grant: The Package of Changes to Modernise the Programme* in which it set out its final plans for the DFG system.

An outline of the key proposals is provided below:

- **Maximum limit:** this will be increased from 22 May 2008 to £30,000 (from £25,000) and will be kept under review.<sup>50</sup>
- **Means test:** applicants in receipt of Council Tax Benefit, Housing Benefit and Tax Credits will be “passport” through the system – they will not need to provide any additional financial information. In addition, those people in receipt of Working Tax Credit and Child Tax Credit will no longer have these payments counted as income in the DFG means test. The aim of this change is to assist working families on low incomes with children.<sup>51</sup>
- **Charges:** A general consent will enable local authorities to place limited charges on adapted properties of owner occupiers, where the cost of the DFG exceeds £5,000, limited to a maximum charge of £10,000. This consent will provide local authorities with the discretion to impose a limited charge on the property, if it is sold within ten years. Funds raised will be recycled through the DFG programme.
- **Access to the garden:** *The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008*, which will come into effect on 22 May 2008, will make access to gardens a specific criterion for entitlement for the grant, where this is reasonable and practicable.
- **Removing the 60:40 funding split:** From 2008-09 the DFG funding split of 60:40 will no longer apply. Local authorities will receive a DFG allocation without a specified requirement to match this funding. The aim of this is to allow local authorities to design services which fit with local delivery arrangements and the needs of individuals. CLG considers that, given the importance of providing adaptations, and the beneficial, preventative impact these have on other budgets, such as social care, local authorities will continue to prioritise this area.<sup>52</sup>
- **Relaxing the funding ring-fence:** From 2008-09 the scope for use of DFG funding will be widened to support any local authority expenditure incurred under the *Regulatory Reform (Housing Assistance) (England and Wales) Order 2002*. The aim is to enable authorities to use specific DFG funding for wider purposes, which may be more appropriate for individuals than current DFG arrangements allow. Creating greater flexibility will allow the DFG to be used for associated purposes, such as moving home, where this is a more appropriate solution, or funding could be pooled to purchase portable extensions which are suitable for re-use, through improved procurement models. From 2010-11, the DFG will be paid to local authorities as an un-ring fenced payment, through a determination under section 31 Local Government Act 2003. This means that DFG funding could be pooled with resources from a number of other programmes. It will

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<sup>49</sup> *Disabled Facilities Grant Programme: The Government's proposals to improve programme delivery – summary of responses*, CLG, August 2007

<sup>50</sup> *The Disabled Facilities Grants (Maximum Amounts and Additional Purposes) (England) Order 2008* (SI 2008/1189)

<sup>51</sup> *The Housing Renewal Grants (Amendment) (England) Regulations 2008* (SI 2008/1190)

<sup>52</sup> Implemented from April 2008

then be for local authorities to determine, against local priorities, how they best use these funds. As part of this move, local authorities will be given a two year settlement from 2009-10 (moving to three in the following spending cycle). Removal of the DFG ring fence was piloted in a number of different local authorities over 2008-09.<sup>53</sup>

- **Social housing grant (SHG) funding to transfer to DFGs:** The funding spent on adaptations within SHG amounts to £1.5 million annually. This will now form part of the overall DFG baseline. Further work will be carried out with the Housing Corporation on the issue of providing adaptations to Registered Social Landlord (RSL) owned properties.
- **Funding adaptations for local authority tenants:** DFG framework and mandatory aspect of the grant applies across all tenures, however, the main DFG budget cannot be used for the funding of adaptations to local authority properties. As part of the Government's overall review of the Housing Revenue Account system, the funding arrangements for the provision of adaptations to local authority tenants will be examined. The results of the review will help inform how this issue is addressed. Until the review is complete local authorities should continue to fund adaptations to their properties through the borrowing arrangements that currently exist within the HRA system.<sup>54</sup>
- **Adaptations for registered social landlord (RSL) tenants:** the Housing Corporation and CLG are to produce joint guidance for registered social landlords on how adaptations are funded and delivered. [A joint letter](#) was sent on 29 February 2008 to local authorities and RSLs clarifying the position on the current guidance for RSLs in the provision of adaptations. Work will be carried out with Government Offices (GOs) to issue guidance at a local, regional and sub-regional level, on agreements with RSLs on finance and more strategic planning for accessible homes.
- **Allocating DFG funds:** the current method of distributing funds to local authorities will be examined.
- **Strategic guidance:** CLG will issue guidance to Regional Assemblies, local authorities and RSLs on addressing the need for accessible housing and the provision of adaptations within their overall housing strategies.
- **Rapid repairs and adaptation services:** CLG will provide new national funding through the National Strategy for Housing in an Ageing Society for rapid repairs and minor adaptations from 2009, to enable an additional 125,000 older people per year to get help with minor adaptations and repairs when they need it.<sup>55</sup>
- **Home improvement agencies:** CLG are commissioning Foundations, the national coordinating body for HIAs, to undertake the 'Future HIA project', drawing on expertise from within the sector and beyond to develop a service which will offer more and better housing options as well as more predictable and sustainable services for all potential clients.

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<sup>53</sup> The local authorities participating in the pilot were: Cumbria County Council comprising of – Allerdale, Barrow, Carlisle, Copeland, Eden and South Lakeland, Oldham Council, Sheffield Council and LB Westminster. The pilots evaluated the impact of the removal of the ring-fence and identified issues with the inclusion of the DFG in Local Area Agreements and the support required by local authorities to achieve a successful transition.

<sup>54</sup> Consultation on the reform of council housing finance was published in July 2009 – see section 6 below

<sup>55</sup> See chapter 5 of *Lifetime Homes, Lifetime Neighbourhoods*, CLG, February 2008

The full package of proposals can be accessed online: [Disabled Facilities Grant: The Package of Changes to Modernise the Programme](#).

## 7 Building Research Establishment findings (2011)

After the publication of the Labour Government's interdepartmental review of Disabled Facilities Grants and the implementation of a number of the review's recommendations, it was recognised that some of the major issues highlighted had not been resolved and that these related to inequalities, cumbersome processes, long delays and the overall level of funding. DCLG commissioned the BRE to assess the allocation process and means testing in more detail.

DCLG published the BRE's findings in February 2011, [Disabled Facilities Grant allocation methodology and means test: Final report](#). The BRE's conclusions and recommendations are reproduced in full below:

### **Overall demand for disabled facilities grant**

There is a very large demand for adaptations with English house condition survey estimating that some 720 thousand households living in the private sector or renting from housing associations require some adaptations. Around half of these (367 thousand) would be eligible for a grant of at least £1,000 under the current means test. The average amount of grant payable for those eligible would be £5,191 and therefore the amount needed to cover grants for all of those who are theoretically eligible 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).

### **Common areas**

There is very little information available to assess the need for adaptations to common areas of flats to improve their accessibility for both residents and visitors. Although the English house condition survey does provide some baseline information on numbers of blocks with steps up to the main entrance, lifts and falls hazards as covered by the Housing Health and Safety Rating System the information collected is not detailed enough to estimate the likely costs of any improvements.

### **Allocations**

There is no reliable data that would enable us to estimate the need for grants for young people aged under 20 for individual local authorities. It is possible to estimate demand at Regional level which could be used to create separate regional 'pots' that could be distributed by the Regional Offices. However, given that these grants account for such a small percentage of total need (about 7%) it may be more sensible and robust to allocate them within a general model. For ex-Service personnel, there is no reliable data to enable us to estimate demand for disabled facilities grant at a national, let alone a regional, level. Any grants for this group would have to come out of the standard allocation model.

The current allocations model has been widely criticised for its complexity and lack of transparency. It has also resulted in large fluctuations in allocations for a number of authorities from year to year. We have tried to create a much simpler model that uses widely available national statistics that are updated on a regular basis. We have not used any English house condition survey data because any very small gains in predictive power would be outweighed by the additional complexity and volatility of indicators derived from this data set. Although we are very aware that there are different arrangements for registered social landlords, particularly those that took over local authority stock, in different areas, we have not been able to take account of this in the research.

The main allocations model (the 'full' model) uses five factors all derived from available national statistics to create an index of need for each local authority:

- Number of claimants for disability related benefits (from Department of Work and Pensions claimant data).
- Proportion of population aged 60 or over (from ONS).
- Proportion of people on means tested benefits (from Department of Work and Pensions claimant data).
- Proportion of the housing stock that is not owned by local authorities
- Regional Building Price Factor (BCIS all in TPI).

This index was then scaled so that the allocation totalled the 2009-10 actual total disabled facilities grant budget for England. We also produced a 'simplified' model which was identical to the above except that it did not include the proportion of people on means tested benefits. Not surprisingly, using the new models resulted in some very radical changes for different local authorities and these changes are largest with the full model. However, it is important to put these into context by examining them in relation to volatility in the existing allocations which changed from between -40 per cent to +67 per cent for different authorities between 2008-09 and 2009-10. The new models suggest a very different regional distribution from the current allocations with a significant shift of resources away from London and the South East to the North East, East Midlands and South West.

### **Means testing**

The current system is complex and costly to administer. It has also been criticised for penalising those with higher housing costs and creating work disincentives. We therefore examined two sets of issues: how and when means-testing should be used; and options for modifying the means test itself. The key factors that we examined were:

- removing means testing for all works costing less than £6,000
- using actual housing costs
- setting the allowable income limit to basic income support/pension credit plus 25 per cent
- removing the tapers from the loan generation formula

Obviously the impact of these alone will be different to that in combination. Bringing in all four of these changes answers most of the criticisms of the current means test. However, it would not necessarily target help to those in greatest financial need. It also results in a much higher estimated sum required for grants for all of those eligible (from £1.9m to £2.5m) and unless the total amount of disabled facilities grant is increased significantly, applying this option will result in disabled facilities grant going to better off households in less deprived areas at the expense of those in greatest financial need. One way round this would be then to operate an equity test whereby those with more than a certain amount of equity in their home would be offered an equity release loan or the option of placing a charge on their property that had to be repaid on the sale or transfer of the property. For the purposes of this work we examined two very simple options to provide an illustration of the likely impact of taking equity into account.

## **Recommendations**

There needs to be further informed debate about whether there should be separate 'top slicing' at national or regional level for children and ex-service personnel. This depends largely on whether these two groups should continue to be treated as special cases. Moving to a means testing regime that uses real housing costs, higher allowances and removing tapers will mean that these groups would not lose out so much by means testing as they do with the current method.

Both of the new allocation models developed represent a simpler, more transparent and fairer way of distributing the resources than the current system. They will also provide greater stability in allowances year on year to individual local authorities and can also be updated easily and more regularly when characteristics of the population and benefit claimants change. Which model is the preferred approach depends, to some extent, on what means-testing system is selected and to what extent it is seen as necessary to target disabled facilities grant to areas that are generally more deprived. Both models represent a large and significant change from the 2009-10 allocations and there will be big winners and losers. If we were to retain the differentials calculated within the new method but at the same time ensure that no authority lost any money then this would require the total amount of disabled facilities grant nationally to increase by 83 per cent for the full model and 63 per cent for the simplified model. Immediate rises of this size are very unlikely in the current economic climate which means that any transition between the current and future system will need to be handled gradually and sensitively.

We need to address the lack of useful information on the configuration and accessibility of flats to help frame a strategy for improving the accessibility of common areas and shared facilities. Flats are not just a local authority or 'special' issue - approximately 1 in 5 existing homes are flats and about half of all homes built in the last five years are flats; the majority of which will have common areas.

On balance, we feel that the version of the means test that uses all of the four components (option 6) represents the best overall solution for means-testing because it addresses most of the main criticisms of the existing system. We do, however, feel that the definition of income needs to be widened to encompass equity. Resources are limited and they need to be targeted towards those who do not have the current income or asset wealth to fund work. Using equity to pay for adaptations is never going to be popular, but in the current and short term future economic climate, it is going to be necessary to address this. It is very difficult to justify giving someone a grant of £10,000 when they are the outright owner of a home worth £200,000. Placing charges on properties with large amounts of equity will not affect the current income of the person concerned, nor their entitlement to state benefits and allowances. However, it may enable them to get adaptations that will transform their lives. Also, the sums involved are normally not very large and need to be considered alongside other necessary disbursements at sale or transfer e.g. Capital Gains Tax, Inheritance Tax and legal fees.

There are obviously issues about how this may affect cash-flow and future grants where large amounts of money are only recovered on sale or transfer, but such issues could be resolved given sufficient political will. The administrative savings and the large number of additional disabled facilities grant grants that could be awarded should be sufficient incentive to find a way to make this work.

Whilst it is important that we have fair and transparent processes for distributing disabled facilities grant, English house condition survey analysis has illustrated that there is a very large backlog of need that has not been either recognised or addressed by the current system. There are two very important sources of additional funding that

need to be exploited if we are to address this and make a real change to the independence and quality of life of people needing adaptations: budgets for health and care services; and the amount of equity locked up in owner occupied housing. We need to compile compelling evidence to demonstrate how money spent on adaptations will save money on health and care costs. This needs to take the form of theoretical cost benefit analysis, possibly using a similar approach used to that developed by BRE in recent work on the costs of poor housing (Roys et al 2010), and case studies to give concrete examples of how this works in practice. We also need to look to 'smarter' ways of using the available funds through re-use of equipment like hoists and stairlifts and making more use of removable prefabricated units to provide extra rooms rather than building permanent extensions.

## 8 White Paper 2012: Caring for our future

The July 2012 White Paper, *Caring for our future: reforming care and support*,<sup>56</sup> did not contain proposals to reform the DFG system but said that the draft Care and Support Bill would “set out new duties to be placed on local authorities to ensure that adult social care and housing departments work together” with a view to ensuring that adaptations and home repair services join up better with people’s care and support.<sup>57</sup>

The White Paper also referred to the establishment of a new “care and support housing fund:”

To help stimulate the development of more housing options, **we will set up a new care and support housing fund, which will provide £200 million of capital funding over five years from 2013/14 to encourage providers to develop new accommodation options for older people and disabled adults.** Local authorities must plan for a range of accommodation to meet different people’s needs and requirements. However, we believe that there is a particular need to develop a greater supply of accommodation for the growing number of older people who are homeowners. We will look at ways for our capital fund to encourage the development of specialised housing for this group. Evidence from the Personal Social Services Research Unit has shown that extra-care homes (one model of specialised housing) provide good outcomes for recently retired people who have low-level care needs, as well as being cost effective alternative to residential care.<sup>58</sup>

Developers and local authorities are expected to plan effectively for the housing and care needs of older people – the Government is supporting a forthcoming industry-led toolkit, *Planning ahead: effective planning for housing and care in later life*.<sup>59</sup>

The *draft Care and Support Bill* was published at the end of July 2012<sup>60</sup> and is currently subject to pre-legislative scrutiny. The first clause provides that “the well-being of the individual is paramount and that local authorities must promote the individual’s well-being in decisions made with and about them.” The draft Bill goes on to set out a number of general duties on local authorities which focus on cross-cutting areas to “reflect and encourage best practice.” Authorities will be required to:

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<sup>56</sup> Cm 8378, July 2012

<sup>57</sup> *ibid* p27

<sup>58</sup> *ibid* p27

<sup>59</sup> *ibid*

<sup>60</sup> Cm 8386

- provide an information and advice service to help people understand how the care and support system works, what services are available locally, and how to access the services they need now and might do in the future (clause 2);
- promote the diversity and quality of local services, so that there is a range of high quality providers in all areas allowing people to make the best choice to satisfy their own needs and preferences (clause 3);
- co-operate with other local organisations, work to integrate services to promote well-being, and improve quality and outcomes (clauses 4-6); and
- provide services or take steps which are intended to prevent, delay or reduce people's needs for care and support. The focus will be on taking proactive steps and making earlier interventions to reduce dependency, rather than just providing intensive services at the point of crisis (clause 7).